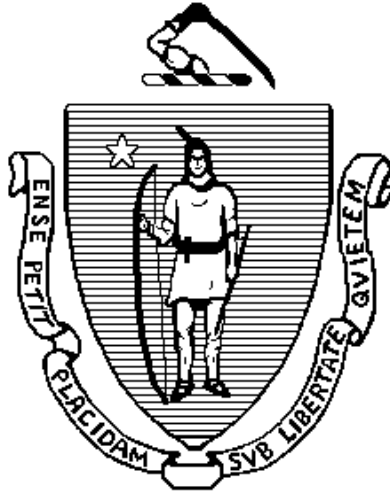


Commonwealth of Massachusetts



Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 2001

Martin J. Benison, CGFM
State Comptroller

Prepared by
*The Financial Reporting and Analysis Bureau
Office of the State Comptroller*

This Document is available at the Comptroller's website: www.magnet.state.ma.us/osc

***“Hail to the Sunrise”
Charlemont, Massachusetts
Sculpture by Joseph P. Polia, 1932***

Located on the famous Mohawk Trail, facing East overlooking the Deerfield river at the site of the old Indian fordway, Hail to the Sunrise depicts a Mohawk Indian beckoning with uplifted arms in supplication to the Great Spirit the new-born day of hope and peace for America.

It is a monument to the Five Indian Nations of the Mohawk Trail. The inscription on the arrowhead tablet at the statue's base reads: "Hail to the Sunrise - In Memory of the Mohawk Indian." This eight foot statue is a 900 pound bronze casting erected on a nine-ton boulder. The memorial includes a pool with 100 inscribed stones from various tribes and councils from throughout the United States.

After years of fundraising, it was erected by the Improved Order of the Red Men and their women's auxiliary, the Allied Councils of Pocahontas of the Old Deerfield conference.

Impressive unveiling ceremonies were held on October 1, 1932, with the surrounding hills ablaze with foliage of highly-painted Indian colors. Joe Mitchell Chapple in his address at the unveiling said; “Hail to the Sunrise symbolizes the hopefulness of humanity through the ages. This is an occasion when we commemorate the Red Man – not only the organization that has kept alive the great fundamental traditions of Freedom, Friendship, and Charity, but the race of Red Men from whom we have taken and inherited the boundless territory of this great republic.”

The Improved Order of Red Men and Degree of Pocahontas was consolidated in 1834 from the St. Tamina Society, the Sons of Liberty and the Society of Red Men. Washington, Hancock and Adams were early promoters and organizers of this Order.
It is the United States oldest benevolent society of distinctively American origin.

Congress granted them a Charter “To Inspire Fraternity and Greater Love of the Principals of American Liberty.”

Photography courtesy of Kindra Clineff, Massachusetts Office of Tourism and Travel

Research courtesy of Norma Coli, Charlemont Historical Commission and the Blue Heron Farm, The Mohawk Trail by William B. Browne, Elder Printing Co, the Greenfield Recorder Gazette and the Red Men Magazine - the Fraternal Publication of the Red Men, dedicated to Americanism.

Statutory Basis Financial Report

For the Fiscal Year Ended June 30, 2001

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*Martin J. Benison, Comptroller
One Ashburton Place
Boston, MA 02108*

October 24, 2001

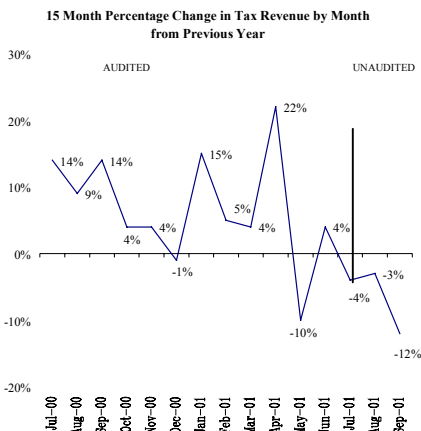
***To the Citizens of the Commonwealth of Massachusetts,
Governor Jane Swift, and Honorable Members of the General
Court***

I am pleased to report that as of June 30, 2001, the financial condition of the Commonwealth remains sound, however the picture is changing. Since FY94 this office has reported that the fiscal health of the Commonwealth is strong. The Commonwealth has enjoyed over seven years of prosperity and growth. The Commonwealth's unemployment level shrunk during the time period by 42% from 205,000 citizens unemployed in 1994 to 86,000 in 2000. At some point the economy had to slow down. As of June 30, 2001, the Federal Reserve Bank of Boston, in its monthly "New England Economic Indicators," reports that the number unemployed in our Commonwealth has increased to 113,000, or a rate of 3.4%. This rate is under the "full employment" threshold of 5%, but it is rising. The same report shows that the consumer confidence index has slipped in our Commonwealth from a rate of 156 a year ago, to 108 today, with future expectations lower. This softening economy is reflected in tax receipts for the first quarter of FY02. Tax revenues are \$202 million below amounts assumed in the Governor's budget recommendation and reflect a real decline from the same period last year.

Fortunately, prudent planning throughout the 1990s has left the Commonwealth well positioned for this economic slow down. The Commonwealth ends FY01 with a \$3 billion surplus in its budgeted funds. Since FY91, the Commonwealth's Stabilization Fund, sometimes called the "rainy day fund," has grown from a balance of \$59 million to over \$1.7 billion, its maximum. In addition, in the final set of appropriation acts for the fiscal year, the Commonwealth set aside over \$579 million in FY01 surpluses to be appropriated no later than November 30, 2001.

The Stabilization Fund is a strategic tool at decision makers' disposal to assist the Commonwealth through this difficult time. It may be used in three circumstances. The first is to make up any difference between the actual state revenues and the allowable state revenues in the case of a revenue shortfall. The second is to replace federal funds in the case of a shortfall. Finally, the fund may be used for any event that threatens the health, safety, welfare, or stability of the Commonwealth, including an economic downturn. The challenge is to use it wisely to help the Commonwealth transition to this new economic reality, not delay necessary changes that must be made.

In previous years, year-end transfers of budget surpluses were made to the capital project funds to make strategic investments for the management of the Commonwealth's capital budget, to defease high



interest debt that otherwise could not be refunded, and continue to increasing reserves.

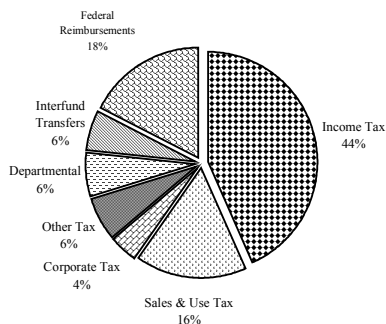
In accordance with Massachusetts General Laws, the Office of the Comptroller transmits the Statutory Basis Financial Report (SBFR) on or before October 31st. The SBFR report for fiscal year ended June 30, 2001 (FY01) herein is audited by Deloitte & Touche, Independent Certified Public Accountants, and represents the conclusion of financial activity and the closing of the Commonwealth's books on the statutory basis of accounting for the fiscal year. This audit is conducted in conjunction with the Office of the State Auditor, which provides knowledge, expertise and resources to close and audit the financial statements.

This report includes the budgeted funds, non-budgeted special revenue funds, capital project funds, fiduciary funds and the non-appropriated funds of higher education.

The financial operations of these funds are maintained in the Massachusetts Management Accounting and Reporting System, (MMARS). The statewide accounting system is operated by the Commonwealth and contains detailed information summarized in this report.

The SBFR is intended to satisfy the requirements of state finance law, and to present fairly the results of FY01 activity in the Commonwealth's funds. The report contains computations required by state finance law, including the certification of the Stabilization Fund and Tax Reduction Fund. The statutory basis of accounting, defined in Massachusetts law, is typically used to budget and control fiscal operations. The statutory basis of accounting is not in conformity with accounting principles generally accepted in the United States of America, (GAAP) as defined for governments by the Government Accounting Standards Board (GASB.) I will report the Commonwealth's financial position on a GAAP basis in December, in our Comprehensive Annual Financial Report, (CAFR.)

Budgeted Revenues and Other Sources



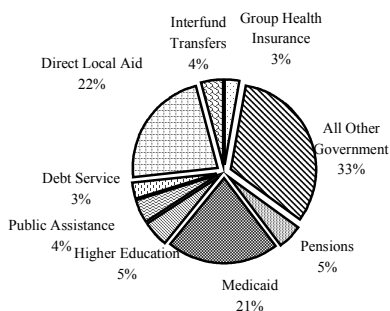
Budgeted Funds

For fiscal 2001, sources of budgeted funds exceeded uses of budgeted funds, resulting in an operating surplus of \$726 million. This surplus is net of \$34 million transferred to fund future capital projects.

More importantly, any surplus or deficit has to be viewed in a trend. Generally accepted standards indicate that a structural balance is achieved when revenues exceed expenditures over a period of multiple years. Before one-time uses of surpluses, the Commonwealth has over a decade-long record of operating gains. The \$34 million transferred for capital outlays allow the Commonwealth to issue fewer bonds in the future to pay for capital costs. The \$624 million transferred for defeasance allows the Commonwealth to pay less in the future for capital costs already bonded. This is sound fiscal policy.

In FY01, budgeted revenues and other sources grew 1.2% over FY00 reflecting a “leveling off” economy, the phase-in of the reduction of the income tax, and subsidies to the MBTA along with related financing sources being moved “off budget.” Budgeted tax revenue (adjusted for the change in funding related to the MBTA) increased by 6.6% over FY00. These are compared to 12% gains in budgeted revenues and 9.8% gains in tax revenues during FY00 from FY99. From a multi-year perspective, the proportion of revenue sources by category to total budgeted revenues and other sources did not materially change from FY00 to FY01. Personal income, sales and corporate taxes continue to be the three largest sources of tax revenue for the Commonwealth.

Budgeted Expenditures and Other Uses



Budgeted expenditures and other uses, including transfers, decreased 1.2% from FY00 to FY01. This decrease is the result of subsidies to the MBTA that were moved off budget, \$600 million in one time savings related to defeasance of high interest debt and the deficit elimination within the Highway and Local Aid Funds performed only in FY00. The Budgeted Funds – Operations table on page 4 displays the FY01 summary of budgeted funds, compared to FY00. Financial statements for each of the 57 individual budgeted funds are included in the financial section of this report.

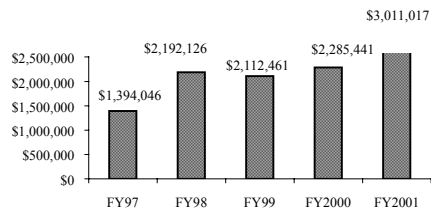
In conducting the budget process, the Commonwealth excludes those “interfund” transactions within the budgeted funds that, by their nature, have no impact on the combined fund balance of the budgeted funds. The table isolates this “interfund” activity from the budgeted sources and uses to align forecasts prepared during the budget process to actual amounts in this report. For example, the Budgeted Funds – Operations table on the following page, in previous years isolated the assessments on municipalities collected by the Commonwealth and paid to the MBTA and regional transit authorities. The effect of Forward Funding the MBTA and other measures reduced these transfers by nearly \$3 billion this year. A detailed list of these interfund transfers is included in note 3 to the general purpose financial statements.

The graph of Budgeted Funds – Fund Balance, on page 5, shows the combined fund balance in the budgeted funds for the past five years. This “bottom line” perspective demonstrates the accumulation of resources attributable to balanced budgets over this period. The FY01 ending balance of \$3 billion is composed of three items. The aforementioned Stabilization Fund balance of \$1.7 billion is the largest component. The other components include \$367 million undesignated.

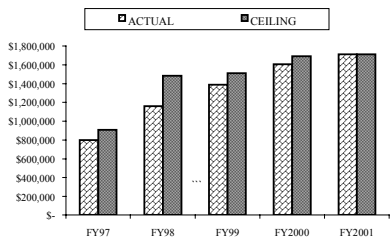
Budgeted Funds - Operations
(Amounts in thousands)

	<u>2000</u>	<u>2001</u>
Beginning fund balances:		
Reserved and designated.....	\$ 330,227	\$ 278,526
Reserved for Tax Reduction	6,818	7,203
Reserved for Stabilization Fund.....	1,388,523	1,608,382
Undesignated.....	<u>386,893</u>	<u>391,330</u>
Total.....	<u>2,112,461</u>	<u>2,285,441</u>
Revenues and other sources:		
Taxes.....	15,688,616	16,074,655
Federal reimbursements.....	3,645,550	3,974,158
Departmental and other revenues.....	1,359,918	1,431,831
Interfund transfers from non-budgeted funds and other sources.....	<u>1,893,004</u>	<u>1,385,884</u>
Budgeted revenues and other sources.....	<u>22,587,088</u>	<u>22,866,528</u>
Mass transit assessments.....	15,821	-
Intragovernmental Service Fund revenues.....	99,663	108,527
Interfund transfers among budgeted funds and other sources.....	<u>3,518,530</u>	<u>822,486</u>
Total revenues and other sources.....	<u>26,221,102</u>	<u>23,797,541</u>
Expenditures and other uses:		
Programs and services.....	19,330,674	19,474,333
Debt service.....	1,193,329	675,939
Pension.....	986,303	1,040,121
Interfund transfers to non-budgeted funds and other uses.....	<u>903,802</u>	<u>950,559</u>
Budgeted expenditures and other uses.....	<u>22,414,108</u>	<u>22,140,952</u>
Payments of mass transit assessments.....	15,821	-
Intragovernmental Service Fund expenditures.....	99,663	108,527
Interfund transfers among budgeted funds and other uses.....	<u>3,518,530</u>	<u>822,486</u>
Total expenditures and other uses.....	<u>26,048,122</u>	<u>23,071,965</u>
Excess of revenues and other sources over expenditures and other uses.....	<u>172,980</u>	<u>725,576</u>
Ending fund balances:		
Reserved and designated.....	278,526	895,305
Reserved for Tax Reduction	7,203	33,565
Reserved for Stabilization Fund.....	1,608,382	1,714,990
Undesignated.....	<u>391,330</u>	<u>367,157</u>
Total.....	<u>\$ 2,285,441</u>	<u>\$ 3,011,017</u>

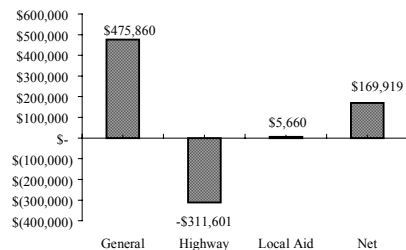
***Budgeted Funds – Fund Balance
(Amounts in Thousands)***



***Stabilization Fund
Fund Balance
(Amounts in Thousands)***



***“Consolidated Net Surplus”
Prior to Transfers
(Amounts in Thousands)***



surplus available for appropriation in FY01 and \$895 million reserved and designated for continuing appropriations, transitional escrow and debt service. With the current state of the economy, we now realize the importance of the balance in the Stabilization Fund and its direct correlation to the positive financial condition of the Commonwealth. State finance law, as amended during FY98, increased the maximum balance that may accumulate in the fund to a level of 7.5% of budgeted revenues and other sources. The law then directs that any amount in excess of this “cap” be transferred to the Tax Reduction Fund for future, one-time, personal income tax rebates. In FY01 with a deposit of \$51 million this cap of \$1.7 billion has been reached. \$30 million in excess of the cap has been deposited in the Tax Reduction Fund. The details of these calculations can be found on page 318 of this report.

The graph, Stabilization Fund Balance portrays this “cap” and the balance of the fund over a five-year period. Despite the Commonwealth’s positive financial condition, a few cautionary notes are merited. There are certain problems with the definitions in the state finance law, enacted in 1986 and continued with slight modifications to the present. A balanced budget, defined as the “Consolidated Net Surplus,” is the combined undesignated fund balance of the General, Local Aid, and Highway Funds. According to this restricted definition, fiscal balance was achieved in FY01 in the amount of \$170 million. However this definition excludes 52 other budgeted funds with combined undesignated fund balances of over \$283 million plus reserves for continuing appropriations. The Commonwealth should adopt a more straightforward definition of fiscal balance. State finance law should be amended to rationalize the contributions to the Stabilization Fund to include the entire population of budgeted funds.

Under current general laws, an amount equal to 0.5% of tax revenues is retained in the funds contributing to the calculation. Any amount in excess of this is available for transfer from the General and Local Aid funds to the Capital Projects Fund in lieu of bonds, and the balance is transferred to the Stabilization Fund. In FY01, \$34 million was transferred for capital projects with the remaining balance transferred to the Stabilization Fund.

Further complicating this issue is the existence of a large number of “minor” budgeted funds. Over the past several years, dozens of new “minor” funds have been created. These funds split off revenues and expenditures previously accounted for as part of a major fund, such as the General Fund. A number of these funds have structural imbalances leading to chronic deficits. The trend to fragment the budget into such special interest funds should be addressed with a plan to either consolidate to a more reasonable number of funds or eliminate funds that are structurally in deficit.

Non-Budgeted Funds

The Non-Budgeted Funds represent operations in which the government has imposed its sovereign authority, but has excluded these operations from the annual budget process. During FY01, the Commonwealth maintained 31 of these funds. The largest funds in activity include the Lottery, Federal Grants, Debt Defeasance, Health Care Security Trust (the recipient of tobacco settlement funds), Grant Anticipation, Sewer Rate Relief, the Medical Security Trust and the Uncompensated Care Funds. These funds are commonly referred to as special or dedicated revenue funds whose revenues are matched to related expenditures.

The table, Non-Budgeted Funds – Operations, includes a summary of the FY01 non-budgeted funds. Financial statements for each of the individual funds are included in the financial section of this report. Several of these funds are worth mentioning. At June 30, 2001, the Federal Grants Fund had a positive fund balance, but there is a deficiency in cash within the fund. This situation results in the Commonwealth drawing funds from the federal government a few days after applicable cash disbursements to assure an “interest neutral” timing of the federal – state cash exchange. These requirements were established by the Cash Management Improvement Act of 1990. Within the Lottery Funds, gross revenues continued to increase this fiscal year. However, due to legislation passed advancing Cities and Towns an extra payment during the fiscal year, to be netted out of the December 2001 quarterly payment, the State Lottery Fund has a deficit of nearly \$12 million.

Non-Budgeted Funds - Operations (Amounts in thousands)

	2000	2001
Beginning fund balance.....	\$ 903,017	\$ 1,089,430
Revenues and other sources:		
Taxes.....	13,553	678,205
Assessments.....	378,364	492,914
Federal grants and reimbursements.....	2,076,386	2,142,304
Tobacco Settlement Revenue.....	326,235	242,470
Departmental and miscellaneous.....	4,355,279	4,642,096
Transfers and other sources.....	1,008,248	994,328
Total revenues and sources.....	8,158,065	9,192,317
Expenditures and other uses:		
Programs and services.....	5,694,496	6,426,228
Debt service.....	43,686	62,692
Transfers and other uses.....	2,233,470	2,907,546
Total expenditures and uses.....	7,971,652	9,396,466
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	186,413	(204,149)
Ending fund balance.....	\$ 1,089,430	\$ 885,281

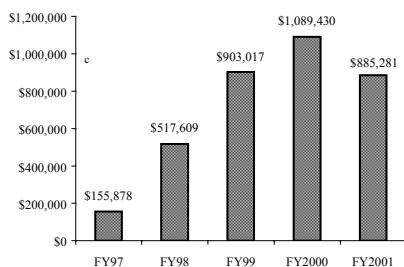
The Health Care Security Trust Fund receives all revenues from the Master Settlement Agreement (MSA) between the states and the tobacco industry to recover healthcare costs for tobacco related illnesses. The MSA estimates the Commonwealth revenues for the first 25 years of the settlement to be approximately \$7.6 billion. However, this estimate is prior to future adjustments including adjustments for inflation and changes in the volume of domestic cigarette sales. In FY01, the Commonwealth received over \$242 million or 87% of the estimated amounts shown in the agreement. Of the \$242 million, nearly \$82 million was transferred to the Tobacco Settlement Fund, a budgeted fund. The majority of expenditures from the fund this year were for Health and Human Services, Elder Affairs and Medicaid costs.

Beginning in FY01, a board of public and private sector investment experts, appointed by the Governor, the Attorney General and the Treasurer-Receiver-General, will manage the investment of funds in the trust. This board has broad discretion on investment choices to increase the assets in the fund. Annually, 30% of payments into the fund and investment earnings thereon will be transferred from the trust to the budgeted funds for appropriation by the Legislature. This board has decided to leverage the experience and the economies of scale of the Pension Reserves Investment Trust while actively managing the asset allocation.

Federal Grant Anticipation Notes, (GANS) activity related to the Central Artery / Tunnel Project (CA/T) continued this year. During FY98, the Legislature authorized the issuance of up to \$1.5 billion in GANS to finance the current cash needs of the Project. As of June 30, 2001, all of the GANS have been issued. These GANS mature between 7 to 17 years from the date of issuance and are redeemed by pledged future federal reimbursements. The GANS are not considered general obligation debt of the Commonwealth. Activity related to issuance of GANS and the accumulation of pledged funds and the payment of debt service is accounted for in the Grant Anticipation Note Trust Fund. The \$124 million surplus in FY01 represents \$83 million held for payment of interest on the GANS and \$41 million in cash from the GANS issuance that will be expended on the construction of the CA/T.

The universal health care funds, including the Uncompensated Care, Labor Shortage and Medical Security Trust Funds, have increased their annual revenue to over \$1.1 billion. They also have a combined fund balance of over \$241 million.

***Non-Budgeted Funds –
Fund Balance
(Amounts in Thousands)***



The graph Non-Budgeted Funds Balance shows the combined fund balance in the Non-Budgeted funds for the past five years. In each year, the entire balance is designated for the specific purpose of the fund. The overall growth in fund balance in these funds this fiscal year is due largely to deposits into the Debt Defeasance and Health Care Security Trust Funds. The GANS fund had a net deficit balance in FY01 due to timing. As indicated in previous years, more consolidation and elimination is needed for these funds. For example, the Government Land Bank Fund has a chronic structural fund deficit.

The FY01 deficit balance of \$35 million represents an unbudgeted drain in cash flows in the General Fund. While steps have been taken to stop the growth in this deficit, the Fund should be abolished and the deficit transferred into the General Fund. An additional deficit exists in the Motor Vehicle Inspection Fund. However, the enabling statute to the Fund mandates that the Fund must be in balance by June 30, 2005. A periodic re-examination of all non-budgeted funds represents sound financial practice.

Capital Projects Funds

The purpose of these funds is to construct or acquire capital assets for governmental use. The Governor may propose capital outlay budgets, which, upon enactment by a two-thirds vote of the Legislature and approval by the Governor, become capital outlay acts. Numerous acts may be combined for reporting in an individual Capital Project Fund, but each act is accounted for separately within the Capital Projects Fund. These accounts record authorizations for expenditures in itemized capital appropriation accounts and equivalent authorizations to issue bonds or notes in anticipation of federal reimbursements.

The structure of these funds is that each capital outlay authorization is in balance, creating authorization for inflows, which may be from sales of bonds, federal reimbursements or other revenues and authorization for expenditures. Imbalances due to timing differences develop when the expenditure precedes the inflow of funds from the sale of bonds or federal reimbursements. Because of federal tax arbitrage rules, it is more difficult to sell bonds in anticipation of expenditures. The sale of bonds in advance is not commonplace in the Commonwealth.

However, six series of bonds were sold this year in advance, both funding the CA/T. The Commonwealth sold variable rate demand bonds and auction rate securities in these transactions totaling approximately \$677 million. In addition, \$400 million of notes were also sold in advance to help finance the Convention Center Project in South Boston.

The variable rate demand bonds and auction rate securities funded a significant portion of the Capital Projects activity relating to the CA/T. The CA/T has been the target of an enormous amount of public scrutiny. As indicated in the footnotes to the General Purpose Financial Statements, the financial disclosure portion of the project is under review with various federal agencies. The Commonwealth has aggressively responded to these concerns regarding the integrity of the cost estimates. For the second year, an independent evaluation of the entire estimate for the project has been undertaken. In the proposed finance plan released August 31, 2001, the cost of the project has risen \$400 million to \$14.475 billion. It is important to note that the federal government has capped its contribution to this project and the finance plan includes state sources to fund this increase. The plan also reported that the project is over 69% complete.

Central Artery / Tunnel Project (Amounts in Billions)

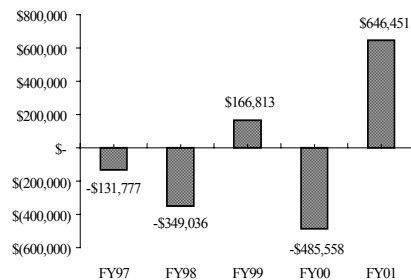
Sources of Funds:	<u>2000</u>	<u>2001</u>
Federal Funds	\$ 7.049	\$ 7.049
GANS	1.500	1.500
Massachusetts Turnpike Authority	1.793	1.706
Massachusetts Port Authority	0.365	0.300
Other Commonwealth Debt	2.815	3.077
Commonwealth Operating Funds and Investment Earnings	<u>0.553</u>	<u>0.843</u>
Total Sources	<u>\$ 14.075</u>	<u>\$ 14.475</u>
Costs of Construction:		
Actual Costs through end of FY	\$ 9.122	\$ 10.425
Estimated Spending:		
FY01	1.744	-
FY02	1.371	1.472
FY03	0.940	1.122
FY04	0.658	0.985
FY05	0.240	0.336
FY06	<u>-</u>	<u>0.135</u>
Total Estimated Costs of Construction:	<u>\$ 14.075</u>	<u>\$ 14.475</u>

During FY00, the Commonwealth put in place a new management team for the project that is committed to full, timely disclosure about schedules and costs. The bulk of the spending remaining on the Project and will occur during FY02 and FY03. Completion is expected to be during FY06. However, a leak has developed in the tunnel sections of Interstate 90 under the Fort Point Channel in Boston. As of October 1, 2001, the estimate of the opening of this phase of the project has been pushed back at least two months, from September 2002 to November of 2002, at the earliest.

Pursuant to statute and agreements with the Massachusetts Turnpike Authority (the MTA) and the Massachusetts Port Authority (MassPort), the entities have committed to significant ongoing contributions to the Commonwealth as part of the financing for this project. These funds are in addition to funds from the Commonwealth and federal funds for the project.

Finally, the Highway Capital Projects Funds will continue to show a deficit for the foreseeable future. That fund's deficit will be amortized through FY20 to pay for the MBTA Forward Funding, unless otherwise bonded for.

***Capital Projects Funds –
Fund Balance (Deficit)
(Amounts in Thousands)***



The graph Capital Projects Funds – Fund Balance (Deficit) shows the combined fund balance in Capital Projects Funds for the past five years. The graph shows a surplus in the funds in FY01 due to the bonding in advance for the CA/T completed this year.

The Capital Projects Funds – Operations table on the next page, includes the FY01 Capital Projects Funds, summarized and compared to FY00. Financial statements for each of the individual funds are included in the financial section of this report.

The Administration has implemented a coordinated fiscal strategy for the management of Capital Projects Funds. This strategy includes a five-year capital budget linked to debt management and cash management. The focus of this strategy is to manage capital spending and outstanding debt to levels the Administration considers appropriate for the Commonwealth. An important part of the strategy is to control capital spending within an annual administrative “cap.” As additional capital outlays have been enacted and significant projects such as the CA/T have been authorized, it becomes more challenging to restrain spending to such limits. Strategies to manage this situation, such as alternative financing for capital projects, are needed. The MTA and Massport’s participation in the CA/T and the judicious use of operating surpluses should continue.

Capital Projects Funds - Operations
(Amounts in thousands)

	<u>2000</u>	<u>2001</u>
Beginning fund balance (deficit).....	\$ 166,813	\$ (485,558)
Revenues and other sources:		
Federal grants and reimbursements.....	2,529	1,035
Departmental and miscellaneous.....	11,199	64,262
Payment from Authorities.....	152,438	265,000
General obligation financing.....	1,761,621	1,911,676
Proceeds of refunding bonds.....	-	998,729
Transfers from budgetary surplus.....	76,581	34,462
Transfer for Capital Projects Funds.....	128,977	-
Transfer for Federal Reimbursements.....	484,187	458,659
Transfer from Transitional Escrow.....	16,800	-
Transfer in due to debt defeasance	-	624,589
Transfers and other sources.....	<u>1,276,718</u>	<u>1,166,878</u>
Total revenues and other sources.....	<u>3,911,050</u>	<u>5,525,290</u>
Expenditures and other uses:		
Acquisition of assets.....	2,918,180	2,663,464
Payments to refunded bond escrow.....	-	998,729
Transfer for debt defeasance.....	150,000	-
MBTA Forward Funding Transfer.....	612,750	-
Transfers and other uses.....	<u>882,491</u>	<u>731,088</u>
Total expenditures and other uses.....	<u>4,563,421</u>	<u>4,393,281</u>
Excess (deficiency) of revenues and other sources over expenditures and uses.....	<u>(652,371)</u>	<u>1,132,009</u>
Ending fund balance (deficit).....	<u>\$ (485,558)</u>	<u>\$ 646,451</u>

The reductions in debt service from budgeted fund balance transfers for defeasance will be used, in part, to fund an initiative from FY02 through FY06 to rehabilitate the Commonwealth's road and bridge infrastructure. According to Massachusetts Highway Department statistics, during the last eight years, road and bridge construction projects statewide totaled over \$5 billion in spending, exclusive of the CA/T. Also, according to the Highway Department, road and bridge construction statewide was \$577 million in FY01, compared to an average of \$395 million in spending per year from FY89 to FY93. The financing plan increases this average, exclusive of the CA/T, for the next five years.

The Commonwealth also completed during August 2000, the financing of lease revenue bonds in connection with the Route 3 North Project, a long – neglected, narrow and congested highway from the New Hampshire border to Route 128 / 95 in Burlington. This financing is the first of its kind in the Commonwealth. A nonprofit corporation has been created to accept lease payments from the Commonwealth and award a singular contract to a development team to design, build, and potentially maintain the highway. When the project is completed in late FY04, estimated travel times are expected to be reduced in a 12-mile stretch of the road from 40 minutes to 15 minutes.

Fiduciary Funds (Excluding Agency Funds)

The Fiduciary Funds record the Commonwealth's responsibility for assets it controls on behalf of other parties. Examples of such funds are the Unemployment Compensation and Pension Trust Funds. The table on the following page, which excludes assets held on a purely custodial capacity in so-called Agency Funds, summarizes the FY01 activity of the Fiduciary Funds. Over 92% of this Fiduciary Fund activity is related to the Commonwealth's Pension Fund detailed in fund statements found in this report.

On September 19, 2001, the Commonwealth updated its pension valuation. The valuation was based on data as of January 1, 2001. Details of this valuation are outlined in note 10. While the value of pension assets has dropped 2.7% since this valuation, the public retirement system remains strong at 82.7% funded.

Fiduciary Fund - Operations (Excluding Non-Expendable Trusts) (Amounts in thousands)

	2000	2001
Beginning fund balance.....	\$ 28,387,447	\$ 32,860,778
Revenues and other sources:		
Taxes.....	861,843	894,161
Federal reimbursements.....	31,481	41,253
Departmental and other revenues.....	1,551,987	1,701,987
Interfund transfers and other sources.....	21,587	24,649
Unrealized and realized investment earnings / (losses).....	4,480,252	(1,819,686)
Total revenues and sources.....	6,947,150	842,364
Expenditures and other uses:		
Expenditures.....	2,407,771	2,653,885
Interfund transfers.....	66,048	91,693
Total expenditures and uses.....	2,473,819	2,745,578
Excess (deficiency) of revenues and sources over expenditures and uses.....	4,473,331	(1,903,214)
Ending fund balance.....	\$ 32,860,778	\$ 30,957,564

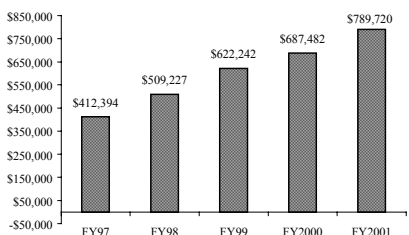
Non-Appropriated Funds of Higher Education

The SBFR includes the financial operations of the non-appropriated funds of the 25 Institutions of Higher Education in the statistical section of this report. Over the past few years, significant efforts have been taken by our office and the institutions to improve the accuracy and timeliness of this Higher Education segment of the financial report. Each Institution of Higher Education is authorized and directed in its enabling statute to collect, retain and expend certain fees, rents, sales, donations, federal financial participation and other types of revenue through campus based systems. These financial resources are integral parts of the total financial activity of each campus. They also represent resources in addition to amounts made available from Commonwealth appropriations.

Non-Appropriated Funds Of Higher Education - Operations (Amounts in thousands)

	2000	2001
Beginning fund balance.....	\$ 622,242	\$ 687,482
Revenues and other sources:		
Federal Grants and reimbursements.....	208,573	235,733
Departmental and miscellaneous.....	1,067,601	900,245
Transfers and other sources.....	100,476	402,061
Total revenues and other sources.....	1,376,650	1,538,039
Expenditures and other uses:		
Programs and services.....	1,202,371	1,032,347
Transfers and other uses.....	109,039	403,454
Total expenditures and uses.....	1,311,410	1,435,801
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	65,240	102,238
Ending fund balance.....	\$ 687,482	\$ 789,720

Non-Appropriated Funds of Higher Education – Fund Balance (Amounts in Thousands)



The Non-Appropriated Funds for Higher Education – Operations table includes the FY01 funds, summarized and compared to FY00. Financial statements for each of the individual funds are included in the statistical section of this report. The graph Non-Appropriated Funds for Higher Education – Fund Balance shows the combined fund balance for the past five years. The combined balance represents \$643 million for the University of Massachusetts, \$80 million for the State College system and \$67 million for the Community Colleges. These balances are designated for specific purposes, such as restrictions on endowments or other specialized purposes specified by the funding contributions.

Conclusions And Recommendations

The Commonwealth has many accomplishments in FY01 of which it can be proud.

The Office of the Comptroller has undertaken a major effort to build a more collaborative working relationship among members of this office and Chief Fiscal Officers (CFO) of the Commonwealth. For the first time, the Commonwealth held a CFO conference bringing together CFOs from across the Commonwealth for two days of meetings. There, I introduced the concept of PARTNERS as way to communicate, solidifying our Office's relationship with the rest of the Commonwealth's CFOs. PARTNERS stands for people, accountability, responsibility, trust, negotiation, efficiency, risk assessment and mitigation, and solutions. We have enhanced the mantra that all systems, big and small, depend on people who are integral to those systems. As fiscal officers of the Commonwealth, we are all accountable for our actions, ensuring the uncompromising integrity of the financial statements of the Commonwealth. We must maintain this standard to maintain the public trust. We have introduced more delegation this year to individual departments due to the level of trust that we have between them, based on prior results. This delegation, was the result of intense negotiation between our Office, other central service offices, and the CFO's. We must continually strive to balance accountability with efficiency, especially in order to continually serve the Citizens of the Commonwealth, our customers. This balancing also targets controls to result in effective risk mitigation. Finally, we strive to find solutions to many of the Commonwealth's problems in conjunction with the rest of the CFOs, so that full input is heard.

This year, the Commonwealth has started the process of consolidating its web sites to better serve the Citizens of the Commonwealth. With service to our customers as key, the Commonwealth's new web portal "Mass.Gov" promises to bring government closer to the people. Mass.Gov will be customer-focused. It will provide services according to the needs of citizens and businesses, not according to government structure. Citizens will be able to quickly find the information and services they need without having to navigate the bureaucracy of government. Mass.Gov will provide comprehensive, integrated, and seamless services that our Citizens will be able to bring into their homes or businesses at their convenience, twenty-four hours a day, seven days a week. An element of Mass.Gov is the successful massfinance.com web site that our Office hosts. Vendors of the Commonwealth can view at a moment's notice what is being paid to them, from what agency and when. Furthermore, our electronic funds transfer (EFT) campaign is in full swing. Every EFT generated by the Commonwealth saves the Commonwealth 45¢ in processing costs, saving millions of dollars a year. We are also migrating to "web" distributed pay advices for our employees, saving thousands a year in production and transportation costs.

All of this falls under the concept raised in the question "what can we do better, more efficiently, at lower cost?" The Management for Results Initiative, (MRI) is the process of examining every facet of Commonwealth government, with the goal of better serving the needs

of our Citizens without additional funds, without a decrease in level of service.

Building upon the observations of this letter, a detailed review of these financial statements suggests the need for action to further improve and strengthen state finance law and fiscal practice.

The Commonwealth must define the term “Chief Fiscal Officer” in law. Central to our partnership with CFO’s is ensuring they are empowered to do the job we ask of them. Too often, a department’s chief fiscal officer is not directly accountable to the chief executive officer of the department. Too often, the CFO does not have the proper functions reporting to them, enhancing internal controls. We will work to pass legislation strengthening the CFO’s role.

The Commonwealth must constantly monitor and update its systems and controls. Upon taking office 30 months ago, I began a multi-year effort to expand awareness of and the quality of internal controls throughout the Commonwealth. We have asked each department, at its highest levels, to assess its risks and target controls to manage those risks efficiently and effectively. Toward this end, the Office of the Comptroller has continued a multi-pronged effort to improve controls throughout the Commonwealth. This effort must continue.

The Commonwealth must ensure that its bills are paid on time. A solid reputation of timely bill payments benefits both our business partners and the taxpayers. During FY00, this office began a campaign with the Chief Fiscal Officers in the 154 state departments to improve the percentage of bills paid within 30 days. The timing and focus on bill paying improved the Commonwealth’s bill payment track record this year to 84% of all bills paid within 30 days. This effort will continue until we have reached and maintained a 95% level.

***Minor Budgeted Funds with Deficits
(Amounts in Thousands)***

Environmental Funds:	
Natural Heritage and Endangered Species Fund.....	\$ (9)
Mosquito and Greenhead Fly Control Fund.....	(2,305)
Environmental Challenge Fund.....	(2,794)
Toxic Use Reduction Fund.....	(7,686)
Environmental Permitting and Compliance Assurance Fund.....	(43,155)
Underground Storage Tank Petroleum Product Cleanup Fund.....	(13,920)
Environmental Law Enforcement Fund.....	(3,875)
Public Access Fund.....	(296)
Harbors and Inland Waters Maintenance Fund.....	(7,599)
Marine Fisheries Fund.....	(5,330)
Watershed Management Fund.....	(4,331)
Low-Level Radioactive Waste Management Fund.....	(505)
Clean Air Act Compliance Fund.....	(1,048)
Second Century Fund.....	(3,594)
Child Support Penalty Fee Fund.....	(87)
Ponkapog Recreational Fund.....	(5)
Leo J. Martin Recreation Fund.....	(179)
Subtotal Environmental Fund Group.....	\$ (96,718)
Children's and Seniors' Health Care Assistance Fund.....	
Transitional Aid to Needy Families Fund.....	(13,197)
Anti-trust Law Enforcement Fund.....	(11,197)
Victim and Witness Assistance Fund.....	(2,765)
Victim and Witness Assistance Fund.....	(10,335)
Intercity Bus Capital Assistance Fund.....	(6,070)
Local Consumer Inspection Fund.....	(574)
Subtotal Budgeted Other.....	(44,138)
Total Minor Budgeted Funds with Deficits	<u>\$ (140,856)</u>

The Commonwealth should adopt a more straightforward definition of fiscal balance including all of the budgeted funds. The idiosyncratic definition of fiscal balance that includes a portion of fund balance within three of the 57 budgeted funds should be expanded to include all 57 funds.

The Commonwealth should reduce the number of funds and eliminate funds that have chronic deficits. The Commonwealth currently maintains over 122 individual funds to record its financial activity. This excessive number of funds fragments the Commonwealth’s financial picture. Many of these funds have structural imbalances leading to chronic deficits. The effort to reduce the number of funds should continue. A fund should be a self balancing set of accounts where decision makers want to set aside a specific set of revenues to fund a specific set of activities. Nineteen of the 57 budgeted funds are in the environmental fund group. Fifteen of these nineteen funds contribute to accumulated deficits of \$96.7 million in this fund group. The revenues and expenditures in these funds should be brought into alignment either through increased fees and assessments or decreases in appropriation, otherwise we should acknowledge that these services are to be funded from general tax revenues and consolidate this activity into the general fund. The table, Minor

Budgeted Funds with Deficits, identifies funds with significant deficits that remained unfunded or continued to grow during FY01 or where no plan exists to bring them into balance. It is important to note that the funds to finance these deficits are parked in surpluses in other funds and cannot be used without first identifying a financing source for these deficits. The structure of these funds should be changed to balance revenues with expenses or the funds should be eliminated and their activity consolidated into the General Fund.

The management of the spending to the administratively capped debt limit should continue. The Commonwealth has committed to an extensive capital projects agenda and great discipline will be needed to assure spending on these projects is matched with financing from bonds, federal reimbursement, transfer of budgetary surplus and financial participation from component units. Assuring proper balance between outflows and inflows, and limiting the segment funded by bonds to the administratively imposed limit, will be a major challenge.

The Commonwealth should adopt a more streamlined approach to capital budgeting and spending. Like the debt limit cap, the Commonwealth has a capital-spending cap, currently at \$1.15 billion per year. The transactions involved with capital budgeting and spending are interpretation as to which category of spending is actually going on. The Fiscal Affairs Division, the Secretary for Administration and Finance and various capital-intensive departments to come up with a more straightforward capital spending methodology.

The Commonwealth should continue to emphasize optimization of both tax and non-tax revenues. This statewide campaign has generated nearly \$244 million in revenues since FY96. The revenue optimization strategy should continue.

I again would like to express my thanks to the many dedicated people within the Office of the State Comptroller. We have had another successful year within the office. Our office has undertaken many tasks this year. As we go forth into FY02, we are embarking on the redesign of our separate Comprehensive Annual Financial Report due to GASB Statements 34, 35, 37 and 38. We are also investigating a potential upgrade to MMARS. I am proud to have all the 115 employees of the Comptroller's Office on my team to help tackle these and other difficult issues of the future.

Respectfully submitted,

Martin J. Benison
Comptroller of the Commonwealth



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Acting Governor

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Attorney General

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Treasurer and Receiver-General

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Chief Justice for Administration and Management, Trial Court

REPORT PREPARED BY:

Eric S. Berman, CPA
Deputy Comptroller

Financial Reporting And Analysis Bureau:

Bhavdeep J. Trivedi, CGFM
Director

John Haran, CPA, CGFM
Accountant

Pauline Lieu, CPA, CGFM
Accountant

Neil Gouse, CGFM
Accountant

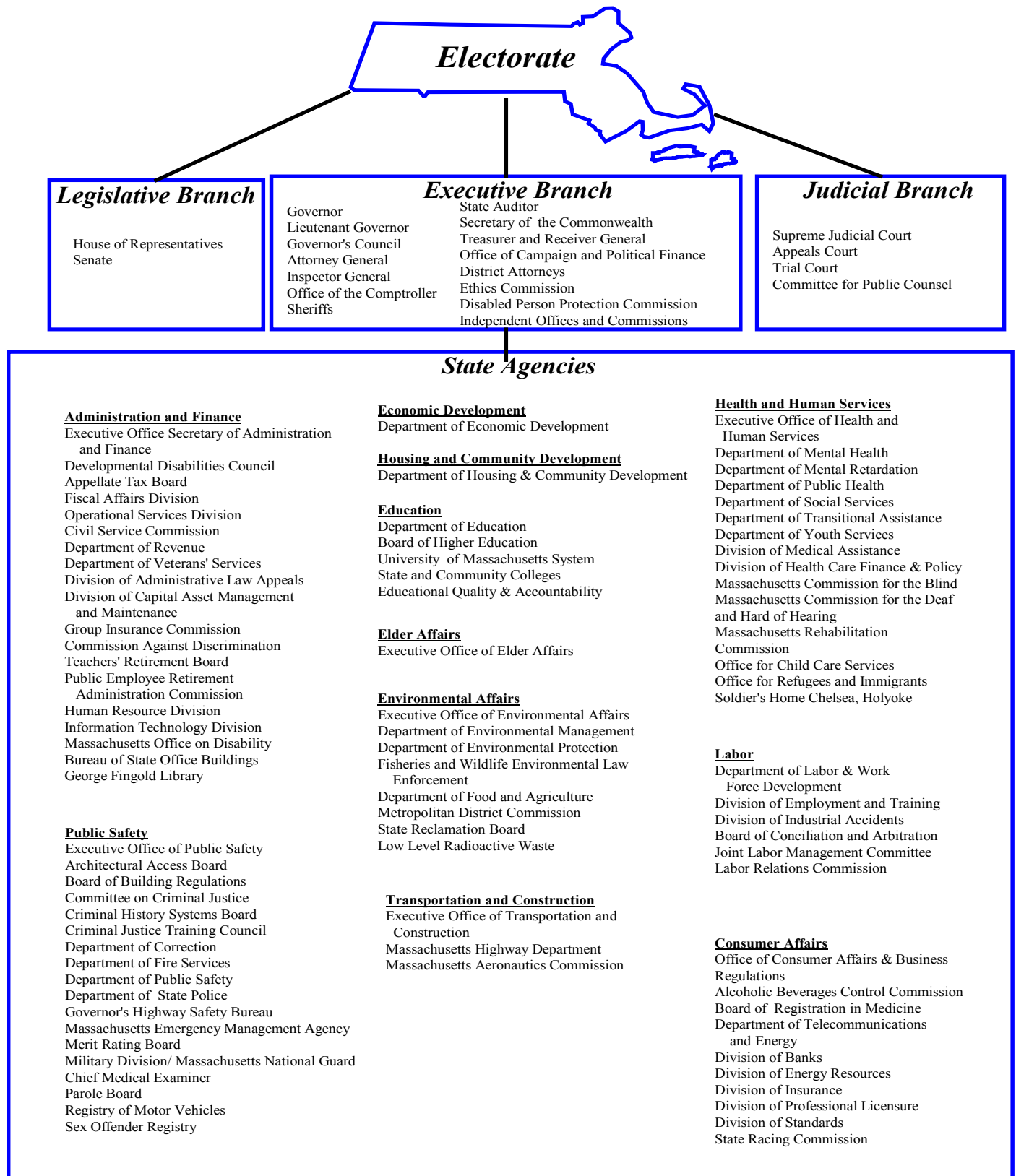
Baheja Azizi
Systems Analyst

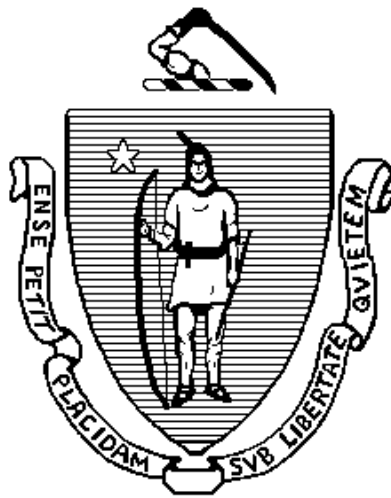
Cathy DiGianni
Administrative Secretary

Babatola Yussuf
Intern

James Powers, CPA
Special Projects

Lauren Johnson
Layout and Design
Director Resource Management





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ADVISORY BOARD TO THE COMPTROLLER

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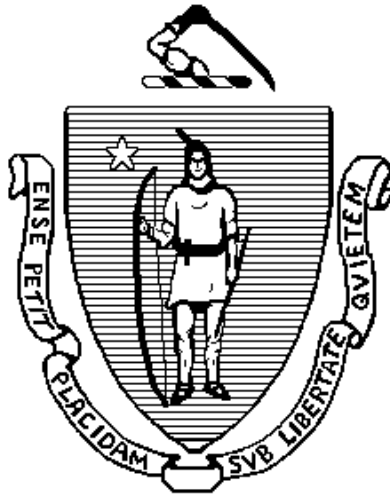
Barbara A. Dortch-Okara
Chief Justice for Administration and Management, Trial Court

Thomas F. Reilly
Attorney General



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Financial Section



Independent Auditor's Report
Combined Financial Statements – Statutory Basis
Combining and Individual Fund Financial Statements – Statutory Basis



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INDEPENDENT AUDITORS' REPORT

Mr. Martin Benison, Comptroller
The Commonwealth of Massachusetts:

We have audited the accompanying combined financial statements – statutory basis of the Commonwealth of Massachusetts as of June 30, 2001, and for the year then ended, listed in the foregoing table of contents. These combined financial statements – statutory basis are the responsibility of the management of the Commonwealth of Massachusetts. Our responsibility is to express an opinion on these combined financial statements – statutory basis based on our audit. We did not audit the financial statements of the Pension Reserves Investment Trust, which is the investment vehicle of the Commonwealth of Massachusetts' Pension Trust Funds, the financial statements of which represent 86.0 percent of the assets and -177.2 percent of the revenues of the Fiduciary Fund Type. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Reserve Investment Trust, is based solely on the report of the other auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements – statutory basis are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements – statutory basis. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement – statutory basis presentation. We believe that our audit and the report of the other auditor provide a reasonable basis for our opinion.

As described in Note 2 to the combined financial statements – statutory basis, the Commonwealth of Massachusetts prepares its combined financial statements – statutory basis on a prescribed basis of accounting that demonstrates compliance with General Laws and budgetary principles and funds of the Commonwealth of Massachusetts which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, based on our audit and the report of another auditor, such combined financial statements – statutory basis referred to above present fairly, in all material respects, the financial position of the Commonwealth of Massachusetts, as of June 30, 2001, and the results of its operations for the year then ended, on the basis of accounting described in Note 2.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements – statutory basis taken as a whole. The combining and individual fund statements – statutory basis and supplemental information listed in the foregoing table of contents, are

presented for the purpose of additional analysis and are not a required part of the combined financial statements – statutory basis of the Commonwealth of Massachusetts. These financial statements and schedules are also the responsibility of the management of the Commonwealth of Massachusetts. Such additional information has been subjected to the auditing procedures applied in our audit of the combined financial statements – statutory basis and, in our opinion, based on our audit and the report of the other auditor, is fairly stated in all material respects when considered in relation to the combined financial statements – statutory basis taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report, and accordingly, we express no opinion on such data.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2001, on our consideration of the Commonwealth of Massachusetts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the use of elected and appointed officials of the Commonwealth of Massachusetts and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

October 24, 2001

Combined Financial Statements - Statutory Basis

All Fund Types And Account Groups
Combined Balance Sheet - Statutory Basis

June 30, 2001 and 2000
(Amounts in thousands)

	Governmental Fund Types		
	Budgeted	Non-Budgeted Special Revenue	Capital Projects
ASSETS AND OTHER DEBITS			
Cash and short-term investments.....	\$ 3,871,746	\$ 937,444	\$ 2,052,689
Cash on deposit with U.S. Treasury.....	-	-	-
Cash with fiscal agent.....	26,061	83,252	-
Investments.....	-	-	-
Assets held in trust.....	-	-	-
Receivables, net of allowance for uncollectibles:			
Taxes.....	3,160	434	-
Due from federal government.....	293,718	323,108	-
Other receivables.....	15,302	31,412	-
Due from cities and towns.....	1,830	-	-
Due from other funds.....	270	-	76,936
Fixed assets:			
Land.....	-	-	-
Buildings.....	-	-	-
Machinery and equipment.....	-	-	-
Construction in progress.....	-	-	-
Amount available for retirement of long-term obligations.....	-	-	-
Amount to be provided for retirement of long-term obligations.....	-	-	-
Other assets.....	-	-	-
Total assets and other debits.....	<u>\$ 4,212,087</u>	<u>\$ 1,375,650</u>	<u>\$ 2,129,625</u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS			
Liabilities:			
Deficiency in cash and short-term investments.....	\$ 339,029	\$ 76,445	\$ 757,632
Accounts payable.....	729,000	311,111	463,237
Accrued payroll.....	133,041	6,641	2,305
Agency liabilities.....	-	-	-
Unearned federal revenue.....	-	18,966	-
Due to cities and towns.....	-	-	-
Due to other funds.....	-	77,206	-
Capital leases.....	-	-	-
Bonds and notes payable.....	-	-	260,000
Total liabilities.....	<u>1,201,070</u>	<u>490,369</u>	<u>1,483,174</u>
Fund equity and other credits:			
Investment in general fixed assets.....	-	-	-
Fund balances (deficit):			
Reserved for:			
Continuing appropriations.....	290,029	-	-
Commonwealth stabilization.....	1,714,990	-	-
Tax reduction.....	33,565	-	-
Transitional escrow.....	579,215	-	-
Debt service.....	26,061	83,252	-
Debt defeasance.....	-	-	-
Employees' pension benefits.....	-	-	-
Unemployment benefits.....	-	-	-
Capital projects.....	-	7,465	1,765,374
Unreserved:			
Designated for specific purpose.....	-	794,564	-
Undesignated.....	367,157	-	(1,118,923)
Total fund equity (deficit) and other credits.....	<u>3,011,017</u>	<u>885,281</u>	<u>646,451</u>
Total liabilities fund equity and other credits.....	<u>\$ 4,212,087</u>	<u>\$ 1,375,650</u>	<u>\$ 2,129,625</u>

See notes to combined financial statements - statutory basis.

Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	General	General	2001	2000
	Fixed Assets	Long-term Obligations		
Trust and Agency				
\$ 1,457,913	\$ -	\$ -	\$ 8,319,792	\$ 6,102,030
2,171,193	-	-	2,171,193	2,050,556
-	-	-	109,313	76,033
29,279,535	-	-	29,279,535	31,280,296
2,244,064	-	-	2,244,064	2,076,313
-	-	-	3,594	3,430
60	-	-	616,886	588,835
355,745	-	-	402,459	446,833
-	-	-	1,830	5,261
-	-	-	77,206	84,834
-	643,489	-	643,489	635,272
-	4,537,523	-	4,537,523	4,590,367
-	1,365,500	-	1,365,500	1,385,930
-	54,701	-	54,701	100,401
-	-	109,313	109,313	76,033
-	-	14,065,077	14,065,077	12,430,722
21,456	-	-	21,456	11,357
<u>\$ 35,529,966</u>	<u>\$ 6,601,213</u>	<u>\$ 14,174,390</u>	<u>\$ 64,022,931</u>	<u>\$ 61,944,503</u>
\$ -	\$ -	\$ -	\$ 1,173,106	\$ 501,810
2,082,639	-	-	3,585,987	3,935,039
352	-	-	142,339	127,014
2,450,748	-	-	2,450,748	2,278,570
-	-	-	18,966	-
32,829	-	-	32,829	42,586
-	-	-	77,206	84,834
-	-	174,936	174,936	123,654
-	-	13,999,454	14,259,454	12,383,101
<u>4,566,568</u>	<u>-</u>	<u>14,174,390</u>	<u>21,915,571</u>	<u>19,476,608</u>
-	6,601,213	-	6,601,213	6,711,970
-	-	-	290,029	252,466
-	-	-	1,714,990	1,608,382
-	-	-	33,565	7,203
-	-	-	579,215	-
-	-	-	109,313	76,033
-	-	-	-	650,000
28,508,921	-	-	28,508,921	30,541,904
2,171,253	-	-	2,171,253	2,050,556
-	-	-	1,772,839	231,669
283,224	-	-	1,077,788	656,235
-	-	-	(751,766)	(318,523)
<u>30,963,398</u>	<u>6,601,213</u>	<u>-</u>	<u>42,107,360</u>	<u>42,467,895</u>
<u>\$ 35,529,966</u>	<u>\$ 6,601,213</u>	<u>\$ 14,174,390</u>	<u>\$ 64,022,931</u>	<u>\$ 61,944,503</u>

All Governmental Fund Types And Expendable Trust Funds
Combined Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Years Ended June 30, 2001 and 2000
(Amounts in thousands)

	Governmental Fund Types		
	Budgeted	Non-Budgeted Special Revenue	Capital Projects
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Taxes.....	\$ 16,074,655	\$ 678,205	\$ -
Assessments.....	92,503	492,914	-
Federal grants and reimbursements.....	3,974,158	2,142,304	1,035
Tobacco settlement revenue.....	-	242,470	-
Departmental.....	1,162,839	4,577,506	193
Payments from authorities.....	-	-	265,000
Miscellaneous.....	285,016	64,590	64,069
Total revenues.....	21,589,171	8,197,989	330,297
Other financing sources:			
Proceeds of general obligation bonds.....	-	-	1,911,676
Proceeds of grant anticipation notes.....	-	600,009	-
Proceeds of refunding bonds.....	-	-	998,729
Fringe benefit cost recovery.....	196,238	-	-
Lottery reimbursements.....	85,646	-	-
Lottery distributions.....	862,132	-	-
Transfer for MBTA contract assistance.....	-	-	-
MBTA forward funding transfer.....	-	-	-
Sewer rate relief.....	-	53,914	-
Caseload mitigation.....	2,021	-	-
Surplus transfer for capital projects.....	-	-	34,462
Transfer for capital projects funds.....	-	-	-
Debt defeasance trust transfer.....	-	-	-
Transfer in due to debt defeasance.....	-	-	624,589
Tobacco settlement transfer.....	81,506	-	-
Operating transfers in.....	322,272	340,405	517,351
Collective bargaining reserve.....	-	-	-
Transfer for transitional escrow.....	579,215	-	-
Stabilization transfer.....	51,693	-	-
Fund deficit elimination.....	-	-	-
Federal reimbursement transfer in.....	1,717	-	458,659
Transfer for tax reduction.....	25,930	-	-
State share of federal highway construction.....	-	-	649,527
Other sources.....	-	-	-
Total other financing sources.....	2,208,370	994,328	5,194,993
Total revenues and other financing sources.....	23,797,541	9,192,317	5,525,290
EXPENDITURES AND OTHER FINANCING USES			
Expenditures:			
Legislature.....	55,536	-	1,967
Judiciary.....	588,065	626	15,645
Inspector General.....	2,454	-	569
Governor and Lieutenant Governor.....	5,981	-	-
Secretary of the Commonwealth.....	43,431	973	5,470
Treasurer and Receiver-General.....	135,906	4,003,351	12,454
Auditor of the Commonwealth.....	15,458	-	616
Attorney General.....	33,722	7,699	1,312
Ethics Commission.....	1,542	-	-
District Attorney.....	80,792	3,376	679
Office of Campaign & Political Finance.....	1,079	-	500
Sheriff's Departments.....	196,799	2,561	3,945
Disabled Persons Protection Commission.....	1,673	25	-
Board of Library Commissioners.....	7,714	3,007	19,450
Comptroller.....	8,182	-	2,332
Administration and finance.....	1,266,694	80,644	287,945
Environmental affairs.....	234,642	28,189	163,529
Communities and development.....	140,841	305,594	76,529
Health and human services.....	4,219,092	1,179,961	16,177
Transportation and construction.....	199,938	5,896	1,962,713
Education.....	385,403	536,505	10,661
Higher education.....	1,102,258	7,236	32,990
Public safety.....	873,560	78,275	43,938
Economic development.....	51,310	1,376	728
Elder affairs.....	214,036	26,990	-

Fiduciary Fund Type		Totals (Memorandum Only)	
Expendable Trust	2001	2000	
\$ 894,161	\$ 17,647,021	\$ 16,564,012	
82	585,499	487,524	
41,253	6,158,750	5,755,946	
-	242,470	326,235	
19,250	5,759,788	5,103,378	
-	265,000	152,438	
332,645	746,320	948,492	
1,287,391	31,404,848	29,338,025	
-	1,911,676	1,761,621	
-	600,009	-	
-	998,729	-	
-	196,238	124,303	
-	85,646	125,264	
-	862,132	837,314	
-	-	154,430	
-	-	612,750	
-	53,914	53,914	
-	2,021	22,091	
-	34,462	76,581	
-	-	128,977	
-	-	650,000	
-	624,589	-	
-	81,506	83,597	
24,249	1,204,277	1,114,835	
-	-	54,168	
-	579,215	92,000	
-	51,693	114,871	
-	-	2,979,782	
-	460,376	486,618	
-	25,930	-	
-	649,527	712,140	
400	400	1,058	
24,649	8,422,340	10,186,314	
1,312,040	39,827,188	39,524,339	
-	57,503	53,057	
192	604,528	569,765	
-	3,023	2,995	
-	5,981	5,564	
74	49,948	50,045	
-	4,151,711	3,838,962	
202	16,276	15,241	
2,093	44,826	38,631	
-	1,542	1,425	
4,513	89,360	81,902	
-	1,579	887	
14	203,319	175,601	
-	1,698	1,558	
-	30,171	34,646	
-	10,514	8,941	
6,066	1,641,349	1,530,028	
14,538	440,898	406,891	
23,822	546,786	495,294	
26,461	5,441,691	5,145,084	
519	2,169,066	3,359,463	
6,620	939,189	876,627	
2,109	1,144,593	1,031,898	
2,460	998,233	906,741	
312	53,726	43,197	
18	241,044	216,671	

All Governmental Fund Types And Expendable Trust Funds
Combined Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
Fiscal Years Ended June 30, 2001 and 2000
(Amounts in thousands)

	Governmental Fund Types		
	Budgeted	Non-Budgeted Special Revenue	Capital Projects
Expenditures (continued):			
Consumer affairs.....	51,127	5,817	2,287
Labor.....	53,843	140,316	1,028
Direct local aid.....	4,969,440	7,811	-
Medicaid.....	4,642,342	-	-
Pension.....	1,040,121	-	-
Debt service:			
Principal retirement.....	128,426	-	-
Interest and fiscal charges.....	547,513	62,692	-
Total expenditures.....	21,298,920	6,488,920	2,663,464
Other financing uses:			
Payments to refunded bond escrow agent.....	-	650,037	998,729
Fringe benefit cost assessment.....	72,496	45,853	17,392
Lottery operating reimbursements.....	-	85,646	-
Lottery distributions.....	-	862,132	-
Transfer for MBTA contract assistance.....	-	-	-
Federal reimbursement transfer out.....	-	460,376	-
State share of federal highway construction.....	-	-	649,527
Tobacco settlement transfer.....	-	81,506	-
Operating transfers out.....	329,044	721,677	64,169
MBTA forward funding transfer.....	-	-	-
Sewer rate relief.....	53,914	-	-
Collective bargaining reserve.....	-	-	-
Caseload mitigation.....	2,021	-	-
Transfer for capital projects funds.....	-	-	-
Surplus transfer for capital projects.....	34,462	-	-
Stabilization transfer.....	51,693	-	-
Fund deficit elimination.....	-	-	-
Transfer for transitional escrow.....	579,215	-	-
Transfer for debt defeasance.....	-	-	-
Transfer for capital projects due to debt defeasance.....	624,270	319	-
Transfer for tax reduction.....	25,930	-	-
Total other financing uses.....	1,773,045	2,907,546	1,729,817
Total expenditures and other financing uses.....	23,071,965	9,396,466	4,393,281
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	725,576	(204,149)	1,132,009
Fund balances (deficits) at beginning of year.....	2,285,441	1,089,430	(485,558)
Fund balances at end of year.....	\$ 3,011,017	\$ 885,281	\$ 646,451

See notes to combined financial statements - statutory basis.

Fiduciary Fund Type	Totals (Memorandum Only)	
Expendable Trust	2001	2000
14,358	73,589	68,822
986,207	1,181,394	1,112,013
-	4,977,251	4,686,819
-	4,642,342	4,269,990
-	1,040,121	986,303
-	128,426	671,464
-	610,205	565,551
1,090,578	31,541,882	31,252,076
-	1,648,766	-
4,121	139,862	76,320
-	85,646	125,264
-	862,132	837,314
-	-	154,430
-	460,376	486,618
-	649,527	712,140
-	81,506	83,597
87,572	1,202,462	1,106,272
-	-	612,750
-	53,914	53,914
-	-	54,168
-	2,021	22,091
-	-	128,977
-	34,462	76,581
-	51,693	114,871
-	-	2,979,782
-	579,215	92,000
-	-	650,000
-	624,589	-
-	25,930	-
91,693	6,502,101	8,367,089
1,182,271	38,043,983	39,619,165
129,769	1,783,205	(94,826)
2,318,874	5,208,187	5,303,013
\$ 2,448,643	\$ 6,991,392	\$ 5,208,187

Budgeted Funds

Combined Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis - Budget and Actual

Fiscal Year Ended June 30, 2001

(Amounts in thousands)

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Taxes.....	\$ 15,203,800	\$ 16,074,655	\$ 870,855
Assessments.....	23,651	92,503	68,852
Federal grants and reimbursements.....	3,797,900	3,974,158	176,258
Departmental.....	1,232,715	1,162,839	(69,876)
Miscellaneous.....	93,234	285,016	191,782
Total revenues.....	20,351,300	21,589,171	1,237,871
Other financing sources:			
Fringe benefit cost recovery.....	-	196,238	196,238
Lottery reimbursements.....	86,492	85,646	(846)
Lottery distributions.....	809,600	862,132	52,532
Caseload mitigation.....	-	2,021	2,021
Tobacco settlement transfer.....	94,000	81,506	(12,494)
Operating transfers in.....	225,760	322,272	96,512
Transfer for transitional escrow.....	-	579,215	579,215
Stabilization transfer.....	-	51,693	51,693
Federal reimbursement transfer in.....	-	1,717	1,717
Transfer for tax reduction.....	-	25,930	25,930
Total other financing sources.....	1,215,852	2,208,370	992,518
Total revenues and other financing sources.....	21,567,152	23,797,541	2,230,389
EXPENDITURES AND OTHER FINANCING USES			
Expenditures:			
Legislature.....	85,172	55,536	29,636
Judiciary.....	605,737	588,065	17,672
Inspector General.....	2,468	2,454	14
Governor and Lieutenant Governor.....	6,366	5,981	385
Secretary of the Commonwealth.....	44,684	43,431	1,253
Treasurer and Receiver-General.....	169,540	135,906	33,634
Auditor of the Commonwealth.....	15,459	15,458	1
Attorney General.....	36,687	33,722	2,965
Ethics Commission.....	1,546	1,542	4
District Attorney.....	81,448	80,792	656
Office of Campaign & Political Finance.....	1,088	1,079	9
Sheriff's Departments.....	199,628	196,799	2,829
Disabled Persons Protection Commission.....	1,682	1,673	9
Board of Library Commissioners.....	7,715	7,714	1
Comptroller.....	8,202	8,182	20
Administration and finance.....	1,323,004	1,266,694	56,310
Environmental affairs.....	256,572	234,642	21,930
Communities and development.....	159,467	140,841	18,626
Health and human services.....	4,314,486	4,219,092	95,394
Transportation and construction.....	208,522	199,938	8,584
Education.....	442,573	385,403	57,170
Higher education.....	1,109,719	1,102,258	7,461
Public safety.....	889,910	873,560	16,350
Economic development.....	66,068	51,310	14,758
Elder affairs.....	222,989	214,036	8,953
Consumer affairs.....	54,880	51,127	3,753
Labor.....	79,337	53,843	25,494
Direct local aid.....	4,984,417	4,969,440	14,977
Medicaid.....	4,727,216	4,642,342	84,874
Pension.....	1,041,483	1,040,121	1,362
Debt service:			
Principal retirement.....	142,273	128,426	13,847
Interest and fiscal charges.....	561,759	547,513	14,246
Total expenditures.....	21,852,097	21,298,920	553,177
Other financing uses:			
Fringe benefit cost assessment.....	-	72,496	(72,496)
Transfer for MBTA contract assistance.....	-	-	-
Operating transfers out.....	329,044	329,044	-
Sewer rate relief.....	53,914	53,914	-
Caseload mitigation.....	2,021	2,021	-
Transfer for capital projects funds.....	-	-	-
Surplus transfer for capital projects.....	-	34,462	(34,462)
Stabilization transfer.....	-	51,693	(51,693)
Transfer for transitional escrow.....	579,215	579,215	-
Transfer for capital projects due to debt defeasance.....	624,270	624,270	-
Transfer for tax reduction.....	-	25,930	(25,930)
Total other financing uses.....	1,588,464	1,773,045	(184,581)
Total expenditures and other financing uses.....	23,440,561	23,071,965	368,596
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(1,873,409)	725,576	2,598,985
Fund balances (deficit) at beginning of year.....	2,285,441	2,285,441	-
Fund balances (deficits) at end of year.....	\$ 412,032	\$ 3,011,017	\$ 2,598,985

See notes to combined financial statements - statutory basis.

Nonexpendable Trust Fund

Statement Of Revenues, Expenses And Changes In Fund Balances - Statutory Basis

Fiscal Years Ended June 30, 2001 and 2000
(Amounts in thousands)

	2001	2000
REVENUES		
Revenues:		
Investment earnings.....	\$ -	\$ -
Total revenues.....	-	-
EXPENSES		
Expenses:		
Higher education	-	1
Treasurer and Receiver-General.....	-	1
Total expenses.....	-	1
Excess (deficiency) of revenues over expenses.....	-	(1)
Fund balances at beginning of year.....	5,834	5,835
Fund balances at end of year.....	\$ 5,834	\$ 5,834

See notes to combined financial statements - statutory basis.

Pension Trust Funds

Combined Statements of Changes in Net Assets Available for Pension Benefits - Statutory Basis

Fiscal Years Ended June 30, 2001 and 2000
(Amounts in thousands)

	2001	2000
Additions:		
Contributions:		
Commonwealth contributions.....	\$ 979,414	\$ 916,077
Employees contributions.....	703,241	616,157
Total contributions.....	1,682,655	1,532,234
Net investment (loss) income:		
Net appreciation (depreciation) in fair value of investments.....	(3,004,407)	3,422,373
Interest.....	561,571	465,039
Dividends.....	220,723	230,963
Real estate operating income, net.....	128,164	114,848
Alternative investments.....	5,482	5,467
Other.....	8,632	6,046
Total investment (loss) income.....	(2,079,835)	4,244,736
Less: investment expense.....	72,496	63,942
Net investment (loss) income.....	(2,152,331)	4,180,794
Total additions.....	(469,676)	5,713,028
Deductions:		
Administration reimbursement.....	12,601	12,133
Retirement benefits and refunds.....	1,550,706	1,425,716
Total deductions.....	1,563,307	1,437,849
Net (decrease) increase	(2,032,983)	4,275,179
Net assets available for pension benefits at beginning of year (fund balances reserved for employees' pension benefits).....	30,541,904	26,266,725
Net assets available for pension benefits at end of year (fund balances reserved for employees' pension benefits).....	\$ 28,508,921	\$ 30,541,904

See notes to combined financial statements - statutory basis.

1. FINANCIAL STATEMENT PRESENTATION

Introduction – The accompanying combined financial statements – (Statutory Basis Financial Report) of the Commonwealth of Massachusetts (the Commonwealth) are presented in accordance with the requirements of Section 12 of Chapter 7A as amended by Section 4 of Chapter 88 of the Acts of 1997 of the Massachusetts General Laws. The Office of the Comptroller also publishes the Commonwealth's Comprehensive Annual Financial Report (CAFR) which is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for governments. GAAP is prescribed by the Governmental Accounting Standards Board (GASB,) the authoritative standard-setting body for establishing governmental accounting and financial reporting principles.

The Statutory Basis Financial Report (SBFR) – includes all the budgeted and non-budgeted funds and account groups of the Commonwealth, as recorded by the Office of the Comptroller in compliance with Massachusetts General Laws and in accordance with the Commonwealth's budgetary principles.

The Statutory Basis Financial Report's General Purpose Financial Statements are not intended to include independent authorities, non-appropriated funds of higher education or other organizations included in the Commonwealth's reporting entity as it would be defined under GAAP.

Statutory Basis – The Commonwealth reports its statutory basis financial position and results of operations in funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures/expenses. Transactions between funds within a fund type, if any, have not been eliminated.

Account groups are accounting entities used to provide accountability for the Commonwealth's general fixed assets and long-term obligations. They are not considered funds because they do not report expendable available financial resources and related liabilities.

The Fund types and account groups are organized as follows:

Governmental Fund Types:

Governmental Fund Types account for the general governmental activities of the Commonwealth.

Budgeted Funds – are the primary operating funds of the Commonwealth. They account for all budgeted governmental transactions. Major budgeted funds include the General, Highway and Local Aid funds which are identified by the Comptroller as the operating funds of the Commonwealth.

Non-Budgeted Special Revenue Funds – are established by law to account for specific revenue sources that have been segregated from the budgeted funds to support specific governmental activities such as federal grants, funds related to the tobacco settlement and the operations of the state lottery.

Capital Projects Funds – account for financial resources used to acquire or construct major capital assets and to finance local capital projects as well as a one time fiscal year 2000 transfer to forward fund the Massachusetts Bay Transit Authority (MBTA). These resources are derived from proceeds of bonds and other obligations, which are generally received after related expenditures have incurred, operating transfers authorized by the Legislature and from federal reimbursements. Deficit balances in Capital Projects Funds represent amounts to be financed.

Fiduciary Fund Types:

Fiduciary Funds account for assets held by the Commonwealth in a trustee capacity (Trust Funds), or as an agent (Agency Funds) for individuals, private organizations, other governmental units, and/or other funds.

Expendable Trust Funds – account for trusts whose principal and investment income may be expended for a designated purpose.

Nonexpendable Trust Funds – account for trusts whose principal cannot be spent.

Pension Trust Funds – account for the net assets available for plan benefits held in trust for the State Employees' and Teachers' Retirement Systems.

Agency Funds – account for assets the Commonwealth holds on behalf of others. Agency Funds are custodial in nature and do not involve measurement of operations.

Account Groups:

Account Groups establish control and accountability over the Commonwealth's general fixed assets and long-term obligations.

General Fixed Assets Account Group – accounts for the general fixed assets of the Commonwealth and capital leases.

General Long-term Obligations Account Group – accounts for long-term bonds and notes issued by the Commonwealth and capital leases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statutory Basis of Accounting – The Statutory Basis Financial Report is prepared from the Commonwealth's books and records and other official reports which are maintained on the basis of accounting used in the preparation of the Commonwealth's legally adopted annual budget (statutory basis). The statutory basis emphasizes accountability and budgetary control of appropriations. The Statutory Basis Financial Report is not intended to present the Commonwealth's financial condition and results of operations in conformity with GAAP. Under GAAP, the books are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting.

Under the statutory basis of accounting, revenues are generally recognized when cash deposits are received by the Treasury. However, revenues receivable for federal grants and reimbursements are recognized when related expenditures are incurred. Amounts due from political subdivisions of the Commonwealth are recognized when considered measurable and available. Deeds excise taxes are recognized at the time of collection by the counties and the Commonwealth. Under GAAP, revenues are recognized when they become both measurable and available.

Under the statutory basis of accounting, expenditures are generally recorded when the related cash disbursement occurs. At year-end, payroll is accrued and payables are recognized, to the extent of approved encumbrances, for goods or services received by June 30. Costs incurred under the federally-sponsored Medicaid program, amounts required to settle claims and judgments against the Commonwealth, and certain other liabilities are not recognized until they are encumbered or otherwise processed for payment. Under GAAP, expenditures are recorded in the period in which the related fund liability is incurred.

The Pension Trust Funds are reported using a flow of economic resources measurement focus and the accrual basis of accounting on both the statutory and GAAP basis. Under this method, additions are recorded when earned and deductions are recorded at the time liabilities are incurred. This measurement focus emphasizes the determination of net change in assets available for pension benefits.

The accounting policies followed in preparing the accompanying statutory basis financial report are described in the remainder of this section.

Cash, Short-term Investments and Investments – The Commonwealth follows the practice of pooling the cash and cash equivalents of its Governmental and Fiduciary Funds. Cash equivalents consist of short-term investments with an original maturity of three months or less and are stated at cost. Interest earned on pooled cash is allocated to the General Fund, Expendable Trust Funds and, when so directed by law, to certain Special Revenue and Capital Projects Funds.

The Commonwealth enters into interest rate swap agreements to modify interest rates on outstanding debt. Other than the net interest expenditures resulting from these agreements no amounts are recorded in the financial statements.

The Pension Trust Funds, with investments of approximately \$29,279,535,000 at fair value, are permitted to make investments in equity securities, fixed income securities, real estate and other alternative investments. For investments traded in an active market, the fair value of the investment will be its market price. The Pension Trust Funds include investments in real estate, venture capital funds, real estate funds, limited partnerships, futures pools, international hedge pools, commodities pools, balanced pools, leveraged buyouts, private placements and other alternative investments. The structure, risk profile, return potential and marketability differ from traditional equity and fixed income investments. Concentration of credit risk exists if a number of companies in which the fund has invested are engaged in similar activities and have similar economic characteristics that could cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. To mitigate the exposure to concentrations of risk, the Pension Trust Funds invest in a variety of industries located in diverse geographic areas. As of June 30, 2001, the estimated fair values, determined by management with input from the investment managers, of these real estate and alternative investments were \$3,423,332,000 of the Pension Trust

Funds, representing 9% of the total assets of the Fiduciary Fund Type.

Securities Lending Program - The Pension Trust Funds participate in securities lending programs. Under these programs, the Trusts receive a fee for allowing brokerage firms to borrow certain securities for a predetermined period of time, securing such loans with cash or collateral typically equaling 102% to 105% of the fair value of the security borrowed. At June 30, 2001, the market value of the securities on loan from the Pension Reserve Investment Trust (PRIT) was approximately \$1,014,000,000. The value of the collateral held by PRIT amounted to \$1,078,000,000 at June 30, 2001. The PRIT securities on loan were collateralized at all times by U.S. Treasury securities of at least 100% of the value.

Receivables - Receivables are stated net of estimated allowances for uncollectible accounts. Reimbursements due to the Commonwealth for its expenditures on federally funded reimbursement and grant programs are reported as "Due from federal government."

Due from Cities and Towns - Represents reimbursement due to the Commonwealth for its expenditures on certain programs for the benefit of cities and towns.

Dedicated Revenue - As part of the General Appropriation Act of 2000 (Chapter 127 of the Acts of 1999,) the funding mechanism for the net cost of service and other costs of the Massachusetts Bay Transportation Authority (MBTA) was changed. This change became effective July 1, 2000. Under the new funding method (Forward Funding), the MBTA's costs are funded on a current basis, rather than 18 months in arrears as had been under previous practice. The method apportions a "dedicated sales tax" amounting to 1% of applicable sales in the Commonwealth directly to the MBTA. The MBTA will also continue to receive amounts assessed on the 175 cities and towns within the service area (assessments.) The assessments totaled \$144,554,000 and \$144,579,000 in FY01 and FY00, respectively. These assessments are projected to decrease yearly to approximately \$136,000,000 by FY06. After FY06, assessments will be adjusted annually by a maximum of 2.5%.

For FY01, the minimum amount due to the MBTA, or "base revenue," was \$645,000,000. In FY01 the dedicated sales tax revenue was greater than the base revenue with deposits in the Massachusetts Bay Transportation Authority State and Local Contribution Fund total approximately \$654,591,000. For FY02, the dedicated sales tax will be equal to the greater of the

amount raised by the sales tax or the base revenue of \$664,350,000.

The total cost to establish the Forward Funding mechanism was \$948,290,000. Of that amount, \$325,000,000 was funded through the issuance of General Obligation Bonds and \$10,540,000 was funded through operating transfers in FY00. During FY01, the Commonwealth appropriated \$27,500,000 to begin the amortization of \$612,750,000 of the remaining deficit in the Highway Capital Projects Fund. For FY02 through FY20, the Commonwealth has the option of either appropriating a level amount annually to fund the remaining cost, or bonding the deficit, to a maximum remaining authorization of \$475,000,000.

Inventories - The costs of materials and supplies are recorded as expenditures in Governmental Funds when purchased. Such inventories are not material in total to the financial statements and therefore are not recorded.

General Fixed Assets - General fixed asset acquisitions are recorded as expenditures in the acquiring fund and capitalized in the General Fixed Assets Account Group in the year purchased. General fixed assets are recorded at historical cost, or at estimated historical cost if actual historical cost is not available. Donated fixed assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized.

The Commonwealth capitalizes all land except land associated with infrastructure. It capitalizes buildings and equipment, including computer software, with a cost in excess of \$15,000 at the date of acquisition and with an expected useful life greater than one year. Public domain general fixed assets and infrastructure (roads, bridges, tunnels, dams, water and sewer systems, etc.) are not capitalized. Interest incurred during construction is not material and is not capitalized. No depreciation is provided on general fixed assets for FY01.

Interfund/Intrafund Transactions - During the course of its operations, the Commonwealth records transactions between funds and/or between departments. On the statutory basis, transactions between Governmental and Fiduciary Fund Types are recorded as adjustments to the

funds' cash accounts. As a result, a fund may report a deficiency in cash and short-term investments.

Transactions of a buyer/seller nature between departments within a fund are not eliminated.

Transfers in and out net to approximately \$1,815,000 due to higher education non-appropriated fund activity, which is not included in the combined statements – statutory basis.

Risk Management – The Commonwealth does not insure for state employees workers' compensation, casualty, theft, tort claims and other losses. Such liabilities are not recognized on the statutory basis until encumbered and/or processed for payment. For employees workers' compensation, the Commonwealth assumes the full risk of claims filed under a program managed by the Human Resources Division. For personal injury or property damages, Chapter 258 of the Massachusetts General Laws (General Laws) limits the risk assumed by the Commonwealth to \$100,000 per occurrence, in most circumstances. The Group Insurance Commission administers contributory health care and other insurance programs for the Commonwealth's employees and retirees.

The Commonwealth has entered into agreements for insurance for Central Artery/Tunnel Project workers' compensation and certain other claims that may arise in the course of the Project. This special arrangement has been approved by the Federal Highway Administration as a cost-effective method to fund current and potential future claims by contractors, workers, and other parties affected by the project. Pursuant to the agreement, the Commonwealth conveys a sum of money to an agent each month. This amount includes both federal and state share. The agent manages and settles all claims. At the conclusion of the program, the balance remaining, if any, will be returned to the Commonwealth and the federal government. The monthly amount conveyed to an agent is accounted for (on the statutory basis of accounting) as an expenditure in the Federal Highway Capital Projects Fund.

Encumbrances – Encumbrance accounting is utilized in the Governmental Fund Types as a significant aspect of budgetary control. The full amounts of purchase orders, contracts and other commitments of appropriated resources are encumbered and recorded as deductions from appropriations prior to actual expenditure, ensuring that such commitments do not exceed appropriations. Encumbrances outstanding at year-end for goods or services received on or before June 30 are reported as

expenditures and statutory basis liabilities as a component of accounts payable.

Fringe Benefit Cost Recovery – The Commonwealth appropriates and pays the fringe benefit costs of its employees and retirees through the General Fund. These fringe benefits include the costs of employees' health insurance, pensions, unemployment compensation, and other costs necessary to support the state work force. As directed by Chapter 29, Sections 5D and 6B(f) of the Massachusetts General Laws, these costs are assessed to other funds based on their payroll costs, net of credits for direct payments. Since these fringe benefit costs are not appropriated in the budget, the required assessment creates a variance between budget and actual expenditures at year-end. The fringe benefit cost recoveries of \$196,238,000 in the budgeted funds result from costs assessments of \$139,862,000 in the governmental fund types and the expendable trust funds. The remainder of \$56,376,000 is assessed to the higher education non-appropriated activity which is not included in the statutory basis financial report.

School Construction Grants - The Commonwealth, through legislation, is committed to reimburse certain cities, towns and regional school districts for a portion of their debt service costs for school construction and renovation. These costs are recorded as expenditures when paid.

Compensated Absences – Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements and state laws. Upon retirement, termination or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their then-current rate of pay. Vacation and sick leave are recorded as expenditures when paid.

Lottery Revenue and Prizes – Ticket revenues are recognized when sold and prizes awarded by the Massachusetts Lottery Commission are recognized as drawings are held.

Fund Balances – The Commonwealth reports fund balances as reserved where legally restricted for a specific future use. Otherwise, these balances are considered unreserved.

Fund balance has been reserved as follows:

“Reserved for continuing appropriations” – are unexpended amounts in appropriations which the Legislature has specifically authorized to be carried into the next fiscal year.

“Reserved for Commonwealth stabilization” – are amounts set aside in the Commonwealth Stabilization Fund in accordance with 5C of Chapter 29 of Massachusetts General Laws, as amended by Chapter 88 of the Acts of 1997, Chapter 175 of the Acts of 1998 and Chapter 87 and 236, Section 79 of the Acts of 2000.

“Reserved for tax reduction” - are amounts set aside in the Tax Reduction Fund according to Section 6 of Chapter 29B of the Massachusetts General Laws.

“Reserved for transitional escrow” – for FY00 reserves are set aside under Section 46 of Chapter 68, Acts of 1999. For FY01, amounts are reserved until November 30, 2001 under Chapter 88, Section 36 of the Acts of 2001.

“Reserved for debt service” – are amounts held by fiscal agents or the Commonwealth to fund future debt service obligations.

“Reserved for employees’ pension benefits” – are the net assets of the Commonwealth’s public employee retirement systems which cannot be used for any other purpose.

“Reserved for unemployment benefits” – are amounts reserved for payment of unemployment compensation.

“Reserved for capital projects” - are amounts reserved for capital projects.

Unreserved fund balance is segregated into two components:

“Designated for specific purpose” – are all unreserved fund balances for which the Legislature or Executive Branch has evidenced an intention to restrict for a specific purpose.

“Undesignated” – consists of cumulative surpluses or deficits of the Governmental Fund Types not otherwise designated.

Reclassification – Certain reclassifications have been made to the fiscal year 2000 account balances to conform to the presentation used in fiscal year 2001.

3. BUDGETARY CONTROL

State finance law requires that a balanced budget be approved by the Governor and the Legislature. The Governor presents an annual budget to the Legislature which includes estimates of revenues and other financing sources and recommended expenditures and other financing uses. The Legislature, which has full authority to amend the budget, adopts an expenditure budget by appropriating monies at the individual appropriation account level in an annual appropriations act.

Before signing the appropriations act, the Governor may veto or reduce any specific item, subject to legislative override. Further changes to the budget established in the annual appropriations act may be made via supplemental appropriations acts or other legislative acts. These must also be signed by the Governor and are subject to the line item veto.

In addition, Massachusetts General Laws authorize the Secretary of Administration and Finance, with the approval of the Governor, upon determination that available revenues will be insufficient to meet authorized expenditures, to withhold allotments of appropriated funds which effectively reduce the account’s expenditure budget.

The majority of the Commonwealth’s appropriations are non-continuing accounts which lapse at the end of each fiscal year. Others are continuing accounts for which the Legislature has authorized that an unspent balance from the prior year be carried forward and made available for spending in the current fiscal year. In addition, the Legislature may direct that certain revenues be retained and made available for spending within an appropriation. Fringe benefits and other costs which are mandated by state finance law are not itemized in the appropriation process and are not separately budgeted.

The original fiscal year 2001 appropriations act, Chapter 159, Acts of 2000, authorized \$20,523,689,000 in direct appropriations. In addition, the act contained \$955,049,000 in authorizations to retain and expend certain non-tax revenues of which \$938,804,000 were estimated to be collected and expended. The Act also included \$121,074,000 in interagency chargebacks. Chapter 159 included estimates of \$15,203,800,000 in tax revenues and approximately \$6,383,045,000 in non-tax revenues. With these revenues (exclusive of chargebacks)

projected to total approximately \$21,586,845,000 and with unreserved balances of approximately \$391,328,000 carried forward from the fiscal year 2000, the budget as presented in this original appropriation act was considered to be in balance.

Section 3 of Chapter 236, of the Acts of 2000, which was a supplemental budget for 2000, also authorized any excess funds from the final 2000 reconciliation of lottery revenues be carried forward and distributed to cities and towns. This amount totaled approximately \$955,000.

During fiscal year 2001, the Legislature also passed and the Governor signed, with some modification through veto, Chapters 196, 236, 311, 316, 354, 378, 384 and 410 of the Acts of 2000 and Chapters 3, 7, 8, 15 and 24 of the Acts of 2001, which included numerous supplemental budgetary appropriations. These supplements added \$606,273,000 of indirect appropriations and \$55,022,000 in retained revenue authorizations.

Subsequent to June 30, 2001, the Legislature passed and the Governor signed Chapters 88 of the Acts of 2001, which included \$164,150,000 in additional supplemental appropriations and \$1,337,000 in additional retained revenue authorizations. The cumulative fiscal year 2001 appropriations, retained revenues and interagency chargebacks totals \$22,427,549,000. Appropriations continued from fiscal year 2000 totaled approximately \$252,466,000 and certain interfund transfers directed by statute totaled approximately \$760,545,000.

Because revenue budgets are not updated subsequent to the original appropriation act, the comparison of the initial revenue budget to the subsequent, and often modified, expenditure budget can be misleading. Also, these financial statements portray fund accounting with gross inflows and outflows, thus creating a discrepancy to separately published budget documents. In conducting the budget process, the Commonwealth excludes those interfund transactions that by their nature have no impact on the combined fund balance of the budgeted funds.

Generally, expenditures may not exceed the level of spending authorized for an appropriation account. However, the Commonwealth is statutorily required to pay debt service, regardless of whether such amounts are appropriated. In addition, certain interfund assessments to allocate fringe benefits and other costs which are mandated by state finance law are not itemized in the appropriation process or separately budgeted.

The following table identifies this interfund activity from the budgeted sources and uses to align more clearly

forecasts prepared during the budget process to the detailed fund accounting of the Commonwealth's statutory financial statements (amounts in thousands):

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses
Actual as presented in the combined budget and actual statement - statutory basis.....	\$ 23,797,541	\$ 23,071,965
Adjustments to revenues and expenditures		
Transfer to the Intragovernmental		
Service Fund Revenues.....	(108,527)	(108,527)
Adjustments to other financing sources and uses:		
Fringe benefit cost assessments.....	(72,496)	(72,496)
Transfer from the Intragovernmental		
Service Fund to the General Fund.....	(2,924)	(2,924)
Transfer from the Revenue Maximization		
Fund to the General Fund.....	(38,351)	(38,351)
RMV License Plates.....	(2,814)	(2,814)
Stabilization transfers.....	(51,693)	(51,693)
Transfer to Transitional Escrow Fund.....	(579,215)	(579,215)
Transfer to Tax Reduction Fund.....	(25,930)	(25,930)
Transfer to Clean Election Fund.....	(10,000)	(10,000)
Transfer to Children's and Senior's		
Health Fund.....	(36,952)	(36,952)
Transfer to Inland Fisheries and Game Fund.....	(90)	(90)
Transfer to Caseload Mitigation Fund.....	(2,021)	(2,021)
Actual as presented on budgetary documents.....	\$ 22,866,528	\$ 22,140,952

The section divider for the budgeted funds contains a list of budgeted funds grouped by categories.

The Office of the Comptroller has the responsibility to ensure that budgetary control is maintained on an individual appropriation account basis. Budgetary control is exercised through the state accounting system, Massachusetts Management Accounting and Reporting System (MMARS). Encumbrances and expenditures are not allowed to exceed the appropriation account's spending authorization.

4. DEPOSITS AND INVESTMENTS

The Commonwealth maintains a cash and short-term investment pool that is available for use by all funds. Each fund type's net equity in this pool is displayed on the combined balance sheet as either "Cash and short-term investments" or "Deficiency in cash and short-term investments." The investments of the Pension Trust Funds are held in a trust.

The Office of the Treasurer and Receiver-General (Treasury) manages the Commonwealth's short-term investment pool. Statutes authorize investment in

obligations of the U.S. Treasury, authorized bonds of all states, banker's acceptances, certificates of deposit, commercial paper rated within the three highest classifications established by Standard & Poor's Corporation and Moody's Commercial Paper Record and repurchase agreements that any of these obligations secure. Such investments are carried at cost, which approximates fair value.

The pooled cash and short-term investments at June 30, 2001 are as follows (amounts in thousands):

	Carrying Value
Cash and Certificates of deposit.....	\$ 253,758
Short-term investments:	
Commercial paper.....	1,303,535
Short-term investment pool.....	4,079,577
Repurchase agreements.....	760,219
Money market investments.....	854,170
Total.....	<u>\$ 7,251,259</u>

Pooled cash and short-term investments include the following:

Cash and short-term investments.....	\$ 8,315,052
Cash with fiscal agent.....	109,313
Deficiency in cash and short-term investments.....	<u>(1,173,106)</u>
Total.....	<u>\$ 7,251,259</u>

The Pension Trust Funds have invested a significant portion of their portfolios into a trust, which pools assets for investment purposes and allocates returns on these investments in proportion to each fund's share of the pool.

The investments are carried at fair value. At June 30, 2001, they are as follows (amounts in thousands):

	Amount
Investments:	
Equity securities.....	\$ 11,958,151
International investments.....	6,398,896
U.S. government and government agency securities.....	4,574,846
Fixed income securities.....	2,924,310
Real estate.....	1,732,125
Alternative investments.....	<u>1,691,207</u>
Total.....	<u>\$ 29,279,535</u>

Financial Instruments with Off-Balance Sheet Risk - Certain investments of the Commonwealth may involve a degree of risk not accounted for on the respective financial statements. A description of such "off-balance sheet risks" are as follows:

Forward Currency Contracts - The Pension Trust Funds enter into forward currency contracts to hedge the exposure to change in foreign currency exchange rates on foreign portfolio holdings. The market value of the contract will fluctuate with changes in currency exchange rates. Risks may arise upon entering these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

When the contract is closed, the Pension Trust Funds record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Fluctuations in the value of forward currency contracts are recorded as unrealized gains or losses by the Pension Trust Funds.

Future Contracts - The Pension Trust Funds may purchase and sell financial futures contracts to hedge against changes in the values of securities the fund owes or expects to purchase. Upon entering such contracts, they must pledge to the broker an amount of cash or securities equal to a percentage of the contract amount.

The potential risk is that the change in the value of futures contracts primarily corresponds with the value of underlying instruments which may correspond to the change in value of the hedged instruments. In addition, there is a risk that PRIT may not be able to close out its future positions due to a non-liquid secondary market. Risks may arise from the potential inability of a counterparty to meet the terms of a contract and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. The Pension Trust Funds may also invest in financial futures contracts for non-hedging purposes.

Payments are made or received by the Pension Trust Funds each day, depending on the daily fluctuations in the

value of the underlying security and are recorded as unrealized gains or losses. When the contracts are closed, the Pension Trust Funds recognize a realized gain or loss.

Options - PRIT is also engaged in selling or "writing" options. The Pension Trust Funds, as writers of options, may have no control over whether the underlying securities may be sold (call) or purchased (put) and, as a result, bears the market risk of an unfavorable change in the price of the security underlying the written option. As of June 30, 2001, there were no material options outstanding.

5. SHORT-TERM FINANCING AND CREDIT AGREEMENTS

Massachusetts General Laws authorizes the Treasurer to issue temporary notes in anticipation of revenue or bond financing. When this short-term debt does not meet long-term financing criteria, it is classified as a fund liability. Short-term debt may be issued on either a stand-alone basis or through a commercial paper program maintained by the Commonwealth.

General Fund – Through June 30, 2000 the Commonwealth was authorized by Massachusetts General Laws to issue short-term notes to finance working capital advances to the MBTA. As a result of the Forward Funding of the MBTA, the Commonwealth is no longer authorized to provide working capital advances to the MBTA or to finance such advances by issuing short-term notes. Therefore, no such notes were outstanding on June 30, 2001.

The balance of revenue anticipation notes (RANs) outstanding may fluctuate during a fiscal year, but must be reduced to zero at June 30. During fiscal year 2001, no RANs were issued or were outstanding.

Capital Projects Funds – The Commonwealth may issue bond anticipation notes (BANs) to temporarily finance its capital projects.

In September 2000, December 2000, and March of 2001 through its commercial paper program, the Commonwealth issued BANs of \$220,000,000, \$250,000,000 and \$250,000,000, respectively. BANs were rolled over and paid down at various times during the fiscal year. No more than \$250,000,000 of commercial paper of obligations were outstanding at any time. On June 30, 2001, \$100,000,000 of BANs were outstanding through the commercial paper program, all of which were retired on or before July 12, 2001.

In September and October, 2001 the Commonwealth issued a combined total of \$250,000,000 of additional BANs through the commercial paper program to temporarily finance capital projects.

Letter-of-Credit Agreements – During fiscal year 2001, the Commonwealth maintained a letter-of-credit agreement with a bank in order to provide credit and liquidity support for its commercial paper program. The letter of credit was available to secure up to \$200,000,000 of Commonwealth commercial paper plus interest thereon. Advances were available, subject to certain limitations and bearing interest at the bank rate as defined, in anticipation of revenue or bond proceeds and payable by the following June 30, subject to extension in certain circumstances, at the Commonwealth's option. No such advances were drawn during the fiscal year ended June 30, 2001. The existing letter of credit agreement expires on December 28, 2003. The cost of the facility is approximately 0.15% on both unutilized and utilized amounts.

Line-of-Credit Agreement – During fiscal year 2001, the Commonwealth maintained line-of-credit agreements to provide liquidity support for commercial paper notes. On September 28, 1999, the Commonwealth entered into line-of-credit agreements with two banks to provide a total of \$400,000,000 in liquidity support for the Commonwealth's commercial paper program. These agreements expire in September of 2002 and 2004, respectively. The cost of these facilities is approximately 0.11% on both unutilized and utilized amounts.

Bonds Anticipation Notes – On September 7, 2000, the Commonwealth sold \$400,000,000 of General Obligation Bond Anticipation Notes, on a stand-alone basis, with an interest rate of 5.0%. The notes matured on September 6, 2001. The notes were issued to finance costs associated with the development of convention centers in Boston and Worcester, although the Commonwealth reserved the right to use the note proceeds to pay other capital costs of the Commonwealth. The notes were retired on September 6, 2001, from a combination of the proceeds of long-term bonds and additional notes.

On September 5, 2001, the Commonwealth sold \$350,000,000 of General Obligation Bond Anticipation Notes, on a stand-alone basis, with an interest rate of 4.0%. The notes mature on September 1, 2003. The notes were issued to partially refinance the notes issued in the prior year and to provide additional funding for costs associated with the development of convention centers in Boston and Worcester.

6. LONG-TERM DEBT

Under the Constitution of the Commonwealth of Massachusetts, the Commonwealth may borrow money (a) for defense, (b) in anticipation of receipts from taxes or other sources, any such loan to be paid out of the revenue of the year in which the loan is made, or (c) by a two-thirds vote of the members of each house of the Legislature present and voting thereon. The Constitution further provides that borrowed money shall not be expended for any other purpose than that for which it was borrowed or for the reduction or discharge of the principal of the loan. In addition, the Commonwealth may give, loan or pledge its credit by a two-thirds vote of the members of each house of the Legislature present and voting thereon, but such credit may not in any manner be given or loaned to or in aid of any individual, or of any private association, or of any corporation which is privately owned or managed.

The Commonwealth has waived its sovereign immunity and consented to be sued on contractual obligations, including bonds and notes issued by it and all claims with respect thereto. However, the property of the Commonwealth is not subject to attachment or levy to pay a judgment, and the satisfaction of any judgment generally requires legislative appropriation. Enforcement of a claim for the payment of principal or interest on bonds and notes of the Commonwealth may also be subject to the provisions of federal or Commonwealth statutes, if any, enacted to extend the time for payment or impose other constraints upon enforcement.

As of June 30, 2001, the Commonwealth had three types of long-term debt outstanding: general obligation bonds, special obligation bonds and grant anticipation notes.

General Obligation Bonds - are authorized and issued primarily to provide funds for Commonwealth-owned capital projects and local government improvements. They are backed by the full faith and credit of the Commonwealth and paid from the Governmental Funds, in which debt service principal and interest payments are appropriated. Massachusetts General Laws provide for the allocation of bond proceeds to these authorizations in arrears, as expenditures are made, unless the proceeds are allocated at the time of issuance.

College Opportunity Bonds - Some Commonwealth general obligation debt is issued as College Opportunity Bonds (COBs) as authorized by the Massachusetts General Laws. Such bonds were initially issued in fiscal year 1996, and have been issued in each subsequent fiscal year including fiscal year 2001 when approximately \$6,626,000 of such bonds were issued. Outstanding COBs had maturity dates ranging from 2001 through 2020. COBs have an accreting interest component payable at

maturity. The annual accretion rate of each COB's maturity is a variable rate equal to the change in annual Consumer Price Index (CPI) plus 2.0%. Assuming the CPI averages 3.5% during the life of the outstanding COBs the payments due at maturities of the COBs will total approximately \$172,177,000. In addition, COBs pay current interest in the amount of 0.5% per year of the initial amount still outstanding. The full faith and credit of the Commonwealth back these bonds. These bonds are sold to fund the Commonwealth's "U. Plan" which is part of a college savings program administered by the Massachusetts Educational Financing Authority. These bonds are privately placed and are structured to meet the needs of investors in this plan.

On August 1, 2001, the Commonwealth issued approximately \$5,636,000 of additional College Opportunity Bonds, with maturities from 2006 to 2021. The terms and conditions of these bonds are the same as those issued in fiscal years 1996 through 2001.

County Debt Assumed - Chapter 38 of the Acts of 1997 and Chapter 300 of the Acts of 1998 abolished several Massachusetts counties on various effective dates. As part of these provisions, the Commonwealth assumed the outstanding debt of Middlesex County on July 1, 1997, of Hampden and Worcester Counties on July 1, 1998 and that of Essex County on July 1, 1999 and that of Berkshire County on July 1, 2000. The county debt assumed has become general obligation debt of the Commonwealth. As of June 30, 2001, \$1,375,000 of these obligations remains outstanding.

Special Obligation Bonds - The Commonwealth also issues special obligation revenue bonds as authorized by Massachusetts General Laws. Such bonds may be secured by all or a portion of revenues credited to the Highway Fund and are not general obligations of the Commonwealth. At June 30, 2001, the Commonwealth had outstanding \$542,195,000 of such special obligation bonds, secured by a pledge of 6.86 cents of the 21.00 cent motor fuel excise tax imposed on gasoline. No new special obligation bonds were issued during the fiscal year.

Federal Highway Grant Anticipation Notes (GANS) - The Commonwealth also issues Federal Highway GANS to finance current cash flow for the Central Artery/Tunnel Project in anticipation of future federal reimbursements. Section 9 through 10D of Chapter 11 of the Acts of 1997, as amended by Chapter 121 of the Acts of 1998, authorizes the Commonwealth to sell up to \$1,500,000,000 in GANS. All Federal Highway Construction reimbursements and reimbursements from the federal highway construction trust funds are pledged

to the repayment of the GANS. At June 30, 2001, the Commonwealth has \$1,499,325,000 of GANS outstanding, including accrued interest on capital appreciation bonds with maturity dates ranging from 2005 to 2015. These notes are secured by the pledge of Federal Highway Construction Reimbursements without a general obligation pledge. Under certain limited circumstances, a portion of the revenue from the Commonwealth's motor fuels excise tax may be used to pay debt service on the GANS.

Variable Rate Demand Bonds – Included in the long-term debt is \$1,542,600,000 of general obligation variable rate demand bonds (VRDBs) maturing from 2007 through 2030 in varying amounts. The redemption schedule for these bonds is included in the bond redemption schedule contained herein. The interest rate on the VRDBs is determined either weekly or daily based on the activity of the Commonwealth's remarketing agents, and interest is paid monthly. On any reset date holders of the VRDBs can require the Commonwealth (acting through its remarketing and tender agents) to repurchase the bonds (a "put"). The remarketing agent is authorized to use its best efforts to resell any repurchased bonds by adjusting the interest rates offered. The Commonwealth pays an annual fee to the remarketing agents equal to 0.05% of the par amount of the bonds.

Under the provisions of stand-by bond-purchase agreements entered into by the Commonwealth with certain commercial banks, the remarketing and tender agents are entitled to draw amounts sufficient to pay the purchase price of any bonds that cannot be resold. During any such period the Commonwealth is required to pay the bank(s) at an interest rate based on their respective prime lending rates. If the remarketing agent is unable to resell any put bonds within six months of the put date, the stand-by bond-purchase agreements include provisions to convert any such bonds to installment loans payable over an extended period of time, with interest payable at a rate based on the bank(s) prime lending rate(s). The stand-by bond-purchase agreements expire on various dates between September of 2003 and February of 2006. The Commonwealth is required to renew or replace these agreements as long as the VRDBs remain outstanding. The Commonwealth currently pays an annual fee to maintain these agreements which averages 0.124% of the par amount of the bonds.

As of June 30, 2001, \$1,267,000,000 of the VRDBs have been issued as general obligation refunding bonds. In connection with the issuance of such refunding bonds, the Commonwealth has entered into interest rate exchange ("swap") agreements with certain counterparties. These agreements require the counterparties to pay the

Commonwealth an amount equal to the variable rate payable on the bonds and in return the Commonwealth pays a specified fix rate. Only the net difference in interest payments is exchanged with the counterparty. The Commonwealth continues to pay interest to the bondholders at the applicable variable rates. Through these agreements the Commonwealth has effectively fixed its interest rate payment obligations on the relevant VRDBs at rates ranging from 4.15% to 4.659%, not including the cost of liquidity and remarketing. The Commonwealth will be exposed to a variable rate if the counterparties default or if the swap is terminated. A termination of the swap may also result in the Commonwealth making or receiving a termination payment.

Auction Rate Securities – Also included in the long-term debt is \$401,500,000 of general obligation Auction Rate Securities (ARS) maturing in varying amounts from 2020 through 2030. The interest rate payable on the bonds changes weekly as determined pursuant to specified auction procedures. Interest on the bonds is payable weekly. In the case of a failed auction (i.e., insufficient bids to clear the market) existing buyers may be required to hold their bonds with interest payable at rate equal to a percentage of an ARS industry index.

For financial reporting purposes, long-term debt is carried at its face value, which includes discount and any issuance costs. The outstanding amount represents the total principal to be repaid. For capital appreciation bonds, the outstanding amount represents total principal and accreted interest to be repaid. When short-term debt has been refinanced on a long-term basis, it is reported as outstanding at its face amount.

The amount of long-term debt authorized but unissued is measured in accordance with the statutory basis of accounting. Only the net proceeds (exclusive of discount and costs of issuance) are deducted from the total authorized by the Legislature.

Long-term debt outstanding (including discount and issuance cost) and debt authorized and unissued at June 30, 2001 as follows (amounts in thousands):

Purpose	Bonds		Authorized and Unissued
	Outstanding	Maturities	
G A N S	\$ 1,499,325	2005-2015	\$ -
Capital Projects:			
General.....	4,808,198	2001-2025	3,518,937
Highway.....	6,239,921	2001-2031	4,852,312
Local Aid.....	1,366,201	2001-2021	161,704
Other.....	85,809	2001-2021	757,465
	<u>12,500,129</u>		<u>9,290,418</u>
Total.....	<u>\$ 13,999,454</u>		<u>\$ 9,290,418</u>

Interest rates on the Commonwealth's debt outstanding at the end of fiscal year 2001 ranged from 0.1% to 8.0%.

Changes in long-term debt outstanding (including discount and issuance cost) and bonds authorized - unissued for the year ended June 30, 2001 are as follows (amounts in thousands):

	Bonds Outstanding	Authorized and Unissued
Balance July 1, 2000.....	\$ 12,383,101	\$ 11,585,706
General and special obligation bonds:		
Principal, less discount and issuance costs.....	1,768,815	(1,768,815)
Net premium and issuance costs.....	(16,617)	-
Grant Anticipation Notes:		
Principal, less discount and issuance costs	600,009	(600,009)
Premium and issuance costs.....	(22,404)	
Defeased Debt:		
Principal on Defeased Debt.....	(611,493)	-
Retired discount on Defeased Debt.....	(27,360)	-
General obligation refunding bonds:		
Principal on Refunding Bonds.....	964,645	
Principal on Refunded Bonds.....	(907,661)	
Retired discount on Refunded Bonds.....	(3,609)	
Increase in bonds authorized.....	-	282,345
Contributions in lieu of bonds.....	-	41
Bonds retired.....	(127,972)	-
Deauthorized.....	-	(136,778)
Reversions.....	-	(72,072)
Balance June 30, 2001.....	<u>\$ 13,999,454</u>	<u>\$ 9,290,418</u>

At June 30, 2001, debt service requirements to maturity for principal (including discount, capital appreciation and issuance costs) and interest are as follows (amounts in thousands):

Fiscal year ending June 30,	Principal	Interest	Total
2002.....	\$ 699,441	\$ 691,869	\$ 1,391,310
2003.....	751,941	653,439	1,405,380
2004.....	734,485	620,897	1,355,382
2005.....	796,597	588,028	1,384,625
2006.....	903,532	547,136	1,450,668
2007 and thereafter.....	<u>10,113,458</u>	<u>3,440,054</u>	<u>13,553,512</u>
Total.....	<u>\$ 13,999,454</u>	<u>\$ 6,541,423</u>	<u>\$ 20,540,877</u>

The Commonwealth issued bonds and notes through both competitive and negotiated sales during fiscal year 2001. The costs for legal counsel and underwriting fees (including estimated amounts related to competitive sales) for bond sales were \$739,569 and \$11,261,499 respectively. In addition, the Commonwealth paid \$80,000 for disclosure counsel services.

Bonds Defeased Through Refunding – As authorized by the Massachusetts General Laws, the Commonwealth advance refunded certain general obligation bonds through the issuance of \$964,645,000 of general obligation refunding bonds during fiscal year 2001. Net proceeds totaling approximately \$994,347,000 were used to purchase U. S. Government securities which were deposited in irrevocable trusts with an escrow agent to provide for all future debt service payments of the refunded bonds. As a result, the refunded bonds are considered to be defeased, and the liabilities therefore have been removed from the General Long-term Obligations Account Group. As a result of this refunding, the Commonwealth decreased current year debt service payments and has taken advantage of lower interest rates, and it has decreased its aggregate debt service payments by approximately \$39,640,000 over the next 20 years and will experience an economic gain (the difference between the present values of the debt service payments of the refunded and refunding bonds) of approximately \$41,875,000. At June 30, 2001, approximately \$911,270,000 of the bonds refunded remain outstanding and are defeased.

In August 2001, the Commonwealth refunded additional general obligation bonds through the issuance of \$596,745,000 of general obligation refunding bonds. Net proceeds totaling approximately \$629,240,000 were used to purchase U. S. Government securities which were deposited in irrevocable trusts with an escrow agent to provide for all future debt service payments of the refunded bonds. As a result, the refunded bonds are considered to be defeased as of the date of the refunding and the liabilities therefore will be removed from the General Long-term Obligations Account Group in fiscal

year 2002. As a result of this refunding, the Commonwealth decreased current year debt service payments and has taken advantage of lower interest rates, and it has decreased its aggregate debt service payments by approximately \$30,145,000 over the next 12 years and will experience an economic gain (the difference between the present values of the debt service payments of the refunded and refunding bonds) of approximately \$23,932,000.

Bonds Defeased Through Operating Surplus – At the end of fiscal year 2000, pursuant to the provisions of Chapter 87 of the Acts of 2000, the Commonwealth set aside \$650,000,000 of surplus funds in the debt defeasance fund to defease additional debt of the Commonwealth. \$500,000,000 of the funds were attributable to fiscal year 2000 and \$150,000,000 were from prior fiscal years. In July, August and December of 2000, the State Treasurer expended a combined total of \$650,037,000 from the Debt Defeasance Trust Fund to purchase securities and establish a sinking fund to provide for the payment of certain Commonwealth general obligation bonds maturing on August 1, 2000 through and including July 1, 2001. The securities purchased consisted of U.S. Government securities and certain obligations issued by federal agencies, all of which are being held by a third-party trustee in an irrevocable trust. The approximate principal amount of Commonwealth general obligation bonds defeased pursuant to these transactions is \$638,853,000, including \$32,810,000 of bonds maturing on July 1, 2001. The amount that would have been expended for debt service on such bonds in fiscal 2001 (approximately \$624,589,000) was deposited in the Central Artery and Statewide Road and Bridge Infrastructure Fund, pursuant to the provisions of the act. An additional \$34,589,000, related to the defeased bonds maturing on July 1, 2001 was deposited in this fund on that date.

Prior Defeasance - In prior years, the Commonwealth defeased certain general and special obligation bonds by purchasing securities (from the proceeds of refunding bonds or from surplus operating funds) and placing them in irrevocable trusts to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the financial statements. At June 30, 2001, approximately \$2,128,782,000 of bonds outstanding from activities in prior fiscal years are considered defeased.

Statutory Debt Limit – The Massachusetts General Laws establish limits on the amount of direct debt outstanding. By statutorily limiting the Commonwealth's ability to

issue direct debt, this limit provides a control on annual capital spending. The direct debt limit for fiscal year 2001 was approximately \$11,076,483,000. Outstanding debt subject to the limit at June 30, 2001 was approximately \$10,279,959,000. The limit increases 5% per year.

For purposes of determining compliance with the limit, outstanding direct debt is defined to include general obligation bonds and minibonds at the amount of their original net proceeds. It excludes BANs and discount and issuance costs, if any, financed by these bonds. It also excludes special obligation bonds, GANs, refunded bonds, certain refunding bonds, debt issued by counties, and debt issued in conjunction with the MBTA forward funding.

The amounts excluded from the debt limit are as follows (amounts in thousands):

	<u>Debt Outstanding</u>
Balance June 30, 2001.....	\$ 13,999,454
Less amounts excluded:	
Discount and issuance cost.....	(282,829)
Chapter 5 of the Acts of 1992 Refunding..	(71,054)
Special Obligation Principal.....	(539,242)
GANs Principal.....	(1,500,000)
County Debt Assumed.....	(1,375)
MBTA Forward Funding.....	(325,000)
Central Artery Tunnel.....	<u>(999,995)</u>
Outstanding Direct Debt.....	<u>\$ 10,279,959</u>

7. LEASES

In order to finance the acquisition of equipment, the Commonwealth has entered into various lease/purchase agreements, including tax-exempt lease purchase (TELP) agreements, which are accounted for as capital leases. Lease agreements are for various terms and contain clauses indicating that their continuation is subject to appropriation by the Legislature. For the fiscal year ended June 30, 2001, capital lease/purchase expenditures totaled approximately \$41,817,000. At June 30, 2001, the Commonwealth's aggregate outstanding liability under capital leases, the present value of the net minimum lease payments, totals approximately \$174,936,000. This liability is reported in the General Long-Term Obligations Account Group. Equipment acquired under capital leases and included in the General Fixed Assets Account Group totaled approximately \$225,914,000.

The Commonwealth has numerous operating lease agreements for real property and equipment with varying

terms. These agreements contain provisions indicating that continuation is subject to appropriation by the Legislature. Operating lease expenditures for the fiscal year ended June 30, 2001 was approximately \$172,529,000.

The following is a schedule of future minimum payments under non-cancelable leases as of June 30, 2001 (amounts in thousands):

Fiscal Year Ending June 30,	Capital Leases	Operating Leases
2002.....	\$ 43,760	\$ 134,647
2003.....	37,238	109,566
2004.....	31,151	80,028
2005.....	25,719	55,567
2006.....	21,122	25,924
2007 and thereafter.....	41,207	80,063
Total.....	200,197	485,795
Less interest.....	(25,261)	-
Present value	<u>\$ 174,936</u>	<u>\$ 485,795</u>

8. INDIVIDUAL FUND DEFICITS

Certain Budgeted, Non-Budgeted Special Revenue and Capital Projects Funds included in the combined totals have individual fund deficits at June 30, 2001, as follows (amounts in thousands):

Budgeted Funds:	
Highway Fund.....	\$ 278,514
Natural Heritage and Endangered Species Fund.....	9
Mosquito and Greenhead Fly Control Fund.....	2,305
Environmental Challenge Fund.....	2,794
Toxic Use Reduction Fund.....	7,686
Environmental Permitting and Compliance Assurance Fund.....	43,155
Underground Storage Tank Petroleum Product Cleanup Fund.....	13,920
Environmental Law Enforcement Fund.....	3,875
Public Access Fund.....	296
Harbors and Inland Waters Maintenance Fund.....	7,599
Marine Fisheries Fund.....	5,330
Watershed Management Fund.....	4,331
Low-Level Radioactive Waste Management Fund.....	505
Clean Air Act Compliance Fund.....	1,048
Second Century Fund.....	3,594
Child Support Penalty Fee Fund.....	87
Anti-trust Law Enforcement Fund.....	2,765
Victim and Witness Assistance Fund.....	10,335
Intercity Bus Capital Assistance Fund.....	6,070
Ponkapoag Recreational Fund.....	5
Leo J. Martin Recreation Fund.....	179
Children's and Seniors' Health Care Assistance Fund.....	13,197
Transitional Aid to Needy Families Fund.....	11,197
Local Consumer Inspection Fund.....	574
Total Budgeted Funds.....	<u>419,370</u>
Non-Budgeted Special Revenue:	
Lotteries:	
State Lottery Fund.....	11,908
Other:	
Government Land Bank Fund.....	35,097
Motor Vehicle Safety Inspection Trust Fund.....	15,455
Total Non - Budgeted Funds.....	<u>62,460</u>
Capital Projects:	
General Capital Projects Fund.....	104,274
Boston Convention and Exhibition Center Fund.....	151,970
Capital Expenditure Reserve Fund.....	143,427
Highway Capital Projects Fund.....	705,364
Federal Highway Construction Program Capital Projects Fund.....	257
Government Land Bank Fund.....	6,300
Intercity Bus Fund.....	3,531
Local Capital Project Fund.....	3,800
Total Capital Projects Funds.....	<u>1,118,923</u>
Total	<u>\$ 1,600,753</u>

In order to resolve the deficits in the budgeted funds, the Comptroller has recommended authorization of transfers from other budgeted funds with surplus balances or a plan of fund consolidation. If these changes are adopted by the Legislature, the deficiencies will be resolved. For the Non-Budgeted Special Revenue Funds, the Comptroller has recommended similar budgeted transfers to subsidize and resolve the deficits or their consolidation into budgeted funds. Such steps require legislative action.

Pursuant to Chapter 7, Section 24 of the Acts of 2001, the Commonwealth provided an additional \$51,562,000 in revenues from the State Lottery Fund to cities and towns. This distribution resulted in the deficit noted above in the State Lottery Fund. The law stipulates that the second quarterly payment to cities and towns for fiscal 2002 will be adjusted for this deficit, through the lottery distribution formula.

The Capital Projects Fund deficit reflects the time lag between capital expenditures and the receipt allocation of proceeds from the sale of related bonds. Also, \$585,250,000 of this deficit is due to the unamortized cost related to forward funding of the MBTA completed during fiscal 2000. This amount is to be amortized ratably for a period not in excess of 20 years. The first amortization occurred during fiscal 2001 in the amount of \$27,500,000. The Treasurer has the opportunity to bond up to \$475,000,000 of this deficit. To arrive at the combined capital projects fund balance, this individual fund deficit is offset by capital funds earmarked in the Central Artery Statewide Road and Bridge Infrastructure Fund of \$1,637,372,000, and \$128,002,000 in reserve for three Capital Investment Trusts.

9. MEDICAID COSTS

The Commonwealth provides medical care for low-income, elderly and other residents who qualify for such assistance under the federally-sponsored Medical Assistance Program (Medicaid). The Commonwealth pays the full cost of care and is reimbursed by the federal government for 50% of that cost. For the fiscal year ended June 30, 2001, the General Fund and Children's and Seniors' Health Fund include \$4,642,342,000 in expenditures for Medicaid claims processed for payment.

The combined financial statements – statutory basis include Medicaid claims processed but unpaid at June 30, 2001, as accounts payable of approximately \$26,072,000. The Commonwealth estimates its total liability, as determined in accordance with GAAP, at \$789,400,000 including the amounts reported as accounts payable at June 30, 2001. This amount includes estimates of both the cost of care provided as of June 30, 2001, for which claims have not been processed and other costs. Of this amount, \$408,800,000 is expected to be reimbursed by the federal government.

10. RETIREMENT SYSTEMS

Primary Government – The Commonwealth is statutorily responsible for the pension benefits for Commonwealth

employees (members of the State Employees' Retirement System) and for teachers of the cities, towns, regional school districts throughout the Commonwealth and Quincy College (members of the Teachers' Retirement System, except for teachers in the Boston public schools, who are members of the State-Boston Retirement System but whose pensions are also the responsibility of the Commonwealth). The members of the retirement systems do not participate in the Social Security System.

The Commonwealth has assumed responsibility for payment of cost-of-living adjustments (COLA) for the separate (non-teacher) retirement systems of its cities, towns and counties, granted in fiscal year 1997 and prior. The Commonwealth is statutorily required to have an actuarial valuation once every three years and every two years on a GAAP basis.

Certain Commonwealth employees and current retirees employed prior to the establishment of the State Employees' Retirement System are covered on a "pay-as-you-go" basis. During the year ended June 30, 2001, the Commonwealth's pension expenditure included payments totaling \$18,072,000 to current retirees employed prior to the establishment of the current plans and the non-contributory plans.

Plan Descriptions –

State Employees' Retirement System (SERS) is a single employer defined benefit public employee retirement system (PERS), covering substantially all employees of the Commonwealth and certain employees of the independent authorities and agencies, including the state police officers at the Massachusetts Port Authority and the Massachusetts Turnpike Authority. The SERS is administered by the Commonwealth and is part of the reporting entity and does not issue a stand alone financial report.

Teachers' Retirement System (TRS) is an agent multiple employer defined benefit PERS. The Commonwealth is a non-employer contributor and is responsible for all contributions and future benefit requirements of the TRS. The TRS covers certified teachers in cities (except the City of Boston), towns, regional school districts and Quincy College. The TRS is administered by the Commonwealth and is part of the reporting entity and does not issue a stand-alone financial report.

State – Boston Retirement System (SBRs) is hybrid multiple employer defined benefit PERS. SBRs provides pension benefits to all full-time employees upon commencement of employment with any of the various government agencies covered by SBRs. The

Commonwealth is a non-employer contributor and is only responsible for the actual cost of pension benefits for SBRS participants who serve in the City of Boston's School Department in a teaching capacity. The cost of pension benefits of the other participants is the responsibility of the City of Boston. SBRS is not administered by the Commonwealth and is not part of the reporting entity and a stand-alone financial report is not available.

The policy for postretirement benefit increases for all retirees of the SERS, TRS, SBRS and COLA of local governments is subject to legislative approval.

Membership – Membership in SERS, TRS and SBRS as of January 1, 2001, the date of the most recent valuation, is as follows:

	SERS	TRS	SBRS
Retirees and beneficiaries			
currently receiving benefits.....	44,027	32,631	2,426
Terminated employees entitled to			
benefits but not yet receiving them.....	2,775	-	115
Subtotal.....	46,802	32,631	2,541
Current employees:			
Vested.....	41,250	37,868	1,586
Non-vested.....	45,868	48,930	3,985
Subtotal.....	87,118	86,798	5,571
Total.....	133,920	119,429	8,112

Benefit Provisions – Massachusetts General Laws established uniform benefit and contribution requirements for all contributory PERS. These requirements provide for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, and group classification. The authority for amending these provisions is with the Legislature.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65; for certain hazardous duty and public safety positions, normal retirement is at age 55.

During FY01, the legislature passed Chapter 114 of the Acts of 2000, which modified Chapter 32 of the General Laws. This modification became effective on July 1, 2001. In Chapter 114, teachers who are members of the State Teachers Retirement System, or teachers who are members of the State – Boston retirement system before

1975, who resigned or took an unpaid leave of absence because of maternity leave will be allowed to "buy back" into the fund up to a maximum of four years. The member must pay the amount determined by the retirement board by December 31, 2001 to qualify, as long as the member has worked longer than ten years. If the member completes ten years of service after December 31, 2001, payment can be made within 18 months of completion of ten years of service. In addition, the law creates a superannuation retirement benefit program for all teachers hired on or after July 1, 2001. This program has a contribution rate of 11 percent of regular compensation. To be eligible for the alternative benefit at retirement, the teacher must have completed thirty years of eligible service. All previous members may elect to participate in the program, as long as they participate with the equivalent of a minimum of five years of employee contributions at the new rate. If the member retires before five years, the teacher must pay into the system, the amount that would have been paid in one lump sum, or in installments as the Board may prescribe. The alternative benefit is calculated as the percentage of average compensation determined under the current formula increased by 2% of the average annual compensation for each full year of service in excess of 24 years. The election to participate is irrevocable.

Funding Progress - The SERS, TRS and SBRS actuarial determined contributions were computed as part of the actuarial valuation as of January 1, 2001. The Commonwealth has revised actuarial assumptions used in the calculation of contribution requirements and Unfunded Actuarial Liability (UAL.) The revised actuarial assumptions are the result of an experience study commissioned by the Commonwealth for the period 1996 to 1999 concluded in FY01. The Commonwealth has fully phased-in its UAL from a market value of assets to an actuarial valuation of assets. In the third year of transition as of January 1, 2001 the calculated actuarial value of assets was 97% of the market value compared to 91% in the 2000 valuation and 97% in the 1998 valuation.

A significant change in assumption as of the January 1, 2001 valuation, that resulted from the experience study, was to modify projected salary increase percentage to reflect different groups of employees and years of service. The applicable annual rate in the current valuation range from 4.75% to 12% compared to the prior actuarial assumption of a single rate of 6%.

Other significant assumptions include (a) cost of living (inflation rate) increases of 3% per year on the first \$12,000 of the retirees total allowance, and (b) interest rate credited to the annuity savings fund of 4.5% per year.

These calculations use a level dollar amortization method | over 20-years closed period.

The following table presents the schedule of funding progress as presented in the seven most recent actuarial valuations at the dates indicated (amounts in thousands):

Actuarial Valuation as of January 1	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Actuarial Liability (UAL)	Funded Ratio %	Annual Covered Payroll *	UAL as a % of Covered Payroll
State Employees' Retirement System						
2001	\$ 13,922,000	\$ 15,170,000	\$ 1,248,000	91.8 %	\$ 3,700,000	33.7 %
2000	13,364,000	14,138,000	773,000	94.5	3,472,000	22.3
1998	9,914,000	11,361,000	1,447,000	87.3	3,111,000	46.5
1996	7,366,000	9,441,000	2,075,000	78.0	2,989,000	69.4
1995	5,879,000	8,602,000	2,723,000	68.3	2,992,000	91.0
1993	5,071,000	8,738,000	3,667,000	58.0	2,919,000	125.6
1992	4,699,000	7,303,000	2,604,000	64.3	2,638,000	98.7
Teachers' Retirement System						
2001	14,390,000	18,170,000	3,779,000	79.2	4,072,000	92.8
2000	13,681,000	16,420,000	2,739,000	83.3	3,704,000	73.9
1998	10,170,000	13,095,000	2,925,000	77.7	3,175,000	92.1
1996	7,553,000	10,252,000	2,699,000	73.7	2,810,000	96.0
1995	6,014,000	9,712,000	3,698,000	61.9	2,667,000	138.7
1993	5,142,000	8,921,000	3,779,000	57.6	2,428,000	155.6
1992	4,784,000	8,706,000	3,922,000	55.0	2,032,000	193.0
State - Boston Retirement System (Boston Teachers)						
2001	918,000	1,502,000	583,000	61.1	304,000	191.8
2000	860,000	1,381,000	521,000	62.3	285,000	182.8
1998	699,000	1,219,000	520,000	57.3	285,000	182.5
1996	549,000	1,025,000	476,000	53.6	274,000	173.7
1995	438,000	833,000	395,000	52.6	232,000	170.3
1993	370,000	743,000	373,000	49.8	206,000	181.1
1992	342,000	759,000	417,000	45.1	184,000	226.6

* - The covered payroll amounts approximate the employer payroll.

Pension Actuarial Valuation – The Commonwealth's pension actuarial valuation was performed as of January 1, 2001 pursuant to Chapter 32 of the General Laws of the Commonwealth of Massachusetts and based on the plan provisions at that time.

The Commonwealth was financially responsible for the COLA granted to participants in the 104 retirement systems of cities, towns and counties in fiscal year 1997 and prior fiscal years. Chapter 17 of the Acts of 1997 effective for fiscal year 1998 transferred the responsibility for funding COLAs for separate (non-teacher) retirement systems of cities and towns to the respective system. Any future COLA granted by the Legislature to employees of these plans will be the responsibility of the individual

system. The individual employer governments are also responsible for the basic pension benefits. The retirement systems are not administered by the Commonwealth and are not part of the reporting entity. The actuarial accrued liability for COLA as of January 1, 2001 was \$764,000,000.

Contributions Required and Contributions Made – The retirement systems' funding policies have been established by Chapter 32 of the Massachusetts General Laws. The Legislature has the authority to amend these policies. The annuity portion of the SERS, TRS and SBRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation – 5% for those

hired before January 1, 1975, 7% for those hired from January 1, 1975, through December 31, 1983 and 8% for those hired on or after January 1, 1984, plus an additional 2% of compensation above \$30,000 per year for those hired on or after January 1, 1979. Regular employees and state police hired after June 30, 1996 are required to contribute 9% and 12% respectively of their regular compensation plus an additional 2% of compensation above \$30,000 per year. Costs of administering the plan are funded out of plan assets.

The Commonwealth's contribution for the pension benefit portion of the retirement allowance of SERS and TRS and required payments to cover SBRS and COLA contributions were originally established on a "pay-as-you-go" basis. As a result, amounts were appropriated each year to pay current benefits, without a systematic provision to fully fund future liabilities already incurred. Beginning in fiscal year 1988, the Commonwealth enacted the Pension Reform Act of 1987 and addressed the unfunded liability of SERS, TRS and its participation in SBRS and its COLA obligation. Chapter 32, Section 22C of General Laws enacted in 1998 calls for the payment of normal cost plus an amortization payment of UAL such that the UAL is reduced to zero by June 30, 2018.

This legislation also directs the Secretary of Administration and Finance to prepare a funding schedule to meet these requirements, and to update this funding schedule every three years on the basis of new actuarial

valuation reports prepared under the Secretary's direction. Any such schedule is subject to legislative approval. If a schedule is not so approved, payments are to be made in accordance with the most recently approved schedule. The current legislatively approved funding schedule, a valuation as of January 1, 1999, was filed by the Secretary of Administration and Finance on March 1, 2000 has been deemed approved by the Legislature. Under the current schedule the amortization payments are designed to eliminate the unfunded liability by fiscal year 2018. Based on the previous funding schedule required contributions by the Commonwealth of \$1,022,050,000 were made during the fiscal year ended June 30, 2001. Of this amount \$43,048,000 represents payments for COLA granted to participants in retirement systems of cities, towns and counties.

GAAP requires that pension expenditures (costs) be based on an acceptable actuarial cost method and that they be not less than:

- Normal cost plus amortization of net pension obligation cost
- Interest and amortization on any unfunded prior service costs

The funding schedule discussed above follows an acceptable actuarial funding methodology to compute normal cost and the unfunded accrued actuarial liability.

The following table presents the schedule of employer contributions (amounts in thousands):

Actuarial Valuation as of January 1	Annual Required Contribution (ARC)	Interest on NPO	Amortization of NPO	Pension Cost	Actual Contribution Made	Net Pension (Obligation) Asset (NPO)	% of ARC Contributed	% of Pension Cost Contributed
State Employees' Retirement System								
2001	\$ 275,204	\$ (109,731)	\$ (133,387)	\$ 298,861	\$ 320,381	\$ 1,351,592	116 %	107 %
2000	352,084	(108,400)	107,190	350,873	367,000	1,330,071	104	105
1999	319,454	(103,188)	98,556	314,822	378,000	1,313,944	118	120
1998	261,255	(83,446)	77,180	254,989	494,289	1,250,766	189	194
1997	246,037	(65,478)	41,889	222,448	463,590	1,011,466	188	208
1996	232,158	(46,918)	29,523	214,763	433,114	770,324	187	202
1995	249,640	(31,639)	19,614	237,615	417,361	551,973	167	176
1994	266,564	(18,448)	9,152	257,268	398,900	372,227	150	155
1993	243,587	(5,539)	2,694	240,742	402,100	230,595	165	167
1992	252,687	136	(65)	252,758	323,700	69,237	128	128
Teachers' Retirement System								
2001	475,053	(78,498)	(95,421)	491,976	539,000	998,513	113	110
2000	480,873	(79,487)	78,599	479,985	468,000	951,489	97	98
1999	373,777	(70,312)	67,155	370,620	481,826	963,474	129	130
1998	315,474	(59,126)	54,686	311,034	446,619	852,267	142	144
1997	245,426	(44,832)	28,681	229,275	418,519	716,682	171	183
1996	232,403	(30,311)	19,073	221,165	392,003	527,439	169	177
1995	277,343	(24,002)	14,880	268,221	342,441	356,601	123	128
1994	247,460	(15,975)	7,925	239,410	322,100	282,381	130	135
1993	225,838	(9,946)	4,837	220,729	296,100	199,691	131	134
1992	223,041	(4,996)	2,384	220,429	282,300	124,320	127	128
State-Boston Retirement System								
2001	66,820	1,542	1,875	66,488	86,000	815	129	129
2000	58,266	448	(443)	58,271	45,000	18,697	77	77
1999	53,453	(989)	944	53,409	36,000	5,426	67	67
1998	48,795	(2,114)	1,995	48,636	35,000	11,983	72	72
1997	34,621	(2,082)	1,332	33,871	35,000	25,619	101	103
1996	32,908	(1,860)	1,171	32,219	34,822	24,490	106	108
1995	28,168	(1,816)	1,126	27,478	28,000	21,887	99	102
1994	22,448	(1,216)	603	21,835	28,000	21,365	125	128
1993	20,463	(650)	316	20,129	27,200	15,200	133	135
1992	26,530	(634)	303	26,199	26,400	8,129	100	101

The total contributions required for SERS, TRS and SBRS are based on the entry age normal cost method using the same actuarial assumptions used to compute the net pension obligation.

Post-retirement Health Care and Life Insurance

Benefits – In addition to providing pension benefits, under Chapter 32A of the Massachusetts General Laws, the Commonwealth is required to provide certain health care and life insurance benefits for retired employees of the Commonwealth, housing authorities, redevelopment authorities, and certain other governmental agencies. Substantially all of the Commonwealth's employees may become eligible for these benefits if they reach retirement age while working for the Commonwealth. Eligible retirees are required to contribute a specified percentage of the health care benefit costs which is comparable to contributions required from employees. The Commonwealth is reimbursed for the cost of benefits to retirees of the eligible authorities and non-state agencies. The Commonwealth recognizes its share of the costs of providing these benefits when paid. These payments totaled approximately \$209,643,000 for the fiscal year ended June 30, 2001. There are approximately 46,000 participants eligible to receive benefits at June 30, 2001.

11. COMMITMENTS

Regional Transit Authorities - Under Chapter 161B of the General Laws, the Commonwealth is obligated to provide annual subsidies to certain regional transit authorities for contract assistance, debt service assistance and their net cost of service deficiencies. The Commonwealth recovers a portion of these payments through assessments to the cities and towns served. During fiscal year 2001, net expenditures were \$16,417,000. In addition, for FY01, the Commonwealth appropriated \$17,232,000 to the regional transit authorities to cover net costs of service for the calendar year ended December 31, 2000.

MBTA and Other Authorities - The Commonwealth continues to guarantee MBTA debt outstanding at June 30, 2001, which totaled \$4,095,450,000, but as a result of forward funding, no longer provides contract assistance.

The MBTA's forward funding legislation provides for the MBTA to issue general obligation, revenue or other debt secured by a pledge or conveyance of all or a portion of revenues, receipts or other assets or funds of the MBTA. This new debt is not backed by the full faith and credit of the Commonwealth. Finally, the MBTA will not receive any principal or interest subsidies from the

Commonwealth for the repayment of either the prior debt or new debt of the MBTA beyond the pledged revenues.

In addition to the MBTA, the Commonwealth guarantees debt of a number of Public Authorities. At June 30, 2001, the aggregate outstanding debt for which the Commonwealth is obligated to provide contract assistance support totaled approximately \$196,641,000 long-term and \$86,266,000 short-term.

In addition, the Commonwealth guarantees the debt of certain local governments and public higher education building authorities but does not provide contract assistance. The guaranteed long-term debt outstanding at June 30, 2001 was approximately \$395,302,000.

On June 1, 2000 the Town of Foxborough, acting by and through the Foxborough Industrial Development Financing Authority, issued \$68,505,000 of its Foxboro Stadium Infrastructure Improvement Bonds payable from Commonwealth contract assistance. The bonds are Commonwealth supported debt.

At June 30, 2001, the Commonwealth had commitments of approximately \$1,707,745,000 related to ongoing construction projects. The majority relate to construction funding for the Central Artery/Tunnel Project. The Central Artery/Tunnel Project continues to anticipate federal participation and payments from the Massachusetts Turnpike Authority (MTA) and the Massachusetts Port Authority (MassPort).

On August 17, 2000, the Route 3 North Transportation Improvements Association issued its Commonwealth of Massachusetts Lease Revenue Bonds, Series 2000, in the aggregate principal amount of \$394,305,000, payable from lease payments to be appropriated annually by the Commonwealth through fiscal 2033. The bonds are an indirect obligation of the Commonwealth.

Saltonstall Building - On July 19, 2000, after reviewing proposals received from various development teams to redevelop the Saltonstall State Office Building, the Governor filed legislation that would authorize the Massachusetts Development Finance Agency (MDFA) to undertake the redevelopment. The provisions of the Governor's bill were added to the bond authorization legislation approved August 10, 2000 relating to preservation and management of the Commonwealth's real property assets. Under the provisions relating to the Saltonstall Building, the building is to be leased by the MDFA for a lease term of up to 50 years, with extension terms permitted for an aggregate of 30 more years). The MDFA will renovate the building and lease half of it back

to the Commonwealth for office space and related parking (for a comparable lease term). The remainder of the building is to be redeveloped as private office space, as well as private housing units and retail establishments.

Central Artery / Tunnel Project – The Central Artery / Tunnel Project is the largest single component of the Commonwealth's capital program according to the finance plan filed as of October 1, 2001. The current cost estimate is \$14.475 billion, an increase of \$400 million from the October 1, 2000 plan. The largest components of the increase were added costs of construction and the addition of a project contingency budget. Both plans include a maximum obligation of \$8.549 billion from the federal government. Project milestones have been reviewed to include a nine-month extension to the I-90 opening and a four-month extension to the I-93 opening. The I-90 opening may be delayed further due to a major leak in the Fort Point Channel Tunnel discovered in October 2001. The finance plan is currently under review.

To make up for the \$400,000,000 in needed funds, the Governor immediately filed a bill to raise the bonding authority for the project in place under Chapter 87 of the Acts of 2000 from \$1.350 billion to \$1.5 billion. An additional \$175,000,000 is expected to come from \$50,000,000 in interest earnings and \$125,000,000 in bond capacity generated from higher than expected license and registration renewal fees. Both of these amounts will be reported within the Central Artery Statewide Road and Bridge Infrastructure Fund.

In connection with the Central Artery / Tunnel Project, on May 8, 2000, the State Treasurer's office was advised that the staff of the Securities and Exchange Commission (SEC) is conducting a formal investigation in the matter of "Certain Municipal Securities/Massachusetts Central Artery (B-1610)." This is pursuant to a formal order of private investigation issued by the SEC. The attorneys on behalf of the Commonwealth believe that the likelihood of loss by the Commonwealth is remote.

During fiscal year 2001, the Commonwealth received payments from MTA and MassPort pursuant to three separate memoranda of understandings dated September 12, 1997 and August 13, 1998 and February 19, 1999 respectively. The MTA and MassPort made payments to the Commonwealth to finance portion of the Central Artery/Tunnel Project in the amount of \$200,000,000 and \$65,000,000 respectively. An additional \$4,000,000 is being held in escrow, pending an eminent domain settlement.

All payments pursuant to the agreements have been made from the MTA, except for the \$4,000,000 noted above. MassPort is due to make payments for the project under the agreements from fiscal 2003 through 2005 in the amounts of \$104,000,000, \$50,000,000 and \$51,000,000 in those respective fiscal years.

12. CONTINGENCIES

A number of lawsuits are pending or threatened against the Commonwealth, which arise from the ordinary course of operations. These include claims for property damage and personal injury, breaches of contract, condemnation proceedings and other alleged violations of law. For those cases in which it is probable that a loss will be incurred and the amount of the potential judgment can be reasonably estimated or a settlement or judgment has been reached but not paid, the Attorney General estimates the liability to be approximately \$75,000,000 to be paid during FY02. No accrual has been made for this amount in the combined financial statements – statutory basis.

Under the statutory basis of accounting, workers' compensation costs are recognized when claims are presented and paid. The Commonwealth's outstanding liability for such claims at June 30, 2001 is estimated to be \$262,300,000, of which approximately \$35,800,000 is expected to be paid during fiscal year 2002. No accrual has been made for these amounts in the combined financial statements – statutory basis.

The Commonwealth receives significant financial assistance from the federal government. Entitlement to these resources is generally contingent upon compliance with terms and conditions of the grant or reimbursement agreements and with applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all federal financial assistance is subject to financial and compliance audits. Any disallowances become liabilities of the fund which received the assistance. At June 30, 2001, the Commonwealth estimated that liabilities, if any, which may result from such audits are not material.

Chapter 200A of the Massachusetts General Laws, the Commonwealth's Abandoned Property Law, requires deposit of certain unclaimed assets into a managed Fiduciary Fund. These unclaimed assets, less \$4,925,000, which is expected to be reclaimed and paid in fiscal year 2002, are to be remitted to the General Fund each June 30, where it is included as miscellaneous revenue. Amounts remitted during fiscal year 2001 totaled approximately \$86,585,000. Since inception,

approximately \$968,607,000 has been remitted. A portion of this amount represents a contingency, because claims for refunds can be made by the owners of the property.

Tobacco Settlement – A Master Settlement Agreement (MSA) was executed in November of 1998 between five tobacco companies and 46 states, including the Commonwealth. The MSA called for, among other things, annual payments to the states in perpetuity. These payments have been estimated to total more than \$200 billion over the first 25 years, subject to various offsets, reductions, and adjustments. In FY01, the Commonwealth received approximately \$242,470,000 or 87% of the estimated amounts shown in the agreement. Of that amount approximately \$81,506,000 was transferred to the Tobacco Settlement Fund, a budgeted fund. The majority of expenditures from the fund this year were for Health and Human Services, Elder Affairs and Medicaid costs.

The amounts that might be payable, if any, by the Commonwealth for legal costs relating to the tobacco litigation cannot be determined at this time. The outside attorneys for the Commonwealth were awarded approximately \$775,000,000 in fees to be paid over time by the tobacco companies and, therefore, were not to be paid out of the Commonwealth's award. The outside attorneys have notified the Attorney General that they reserve their right to submit a claim to the Commonwealth for the difference between the \$775,000,000 and 25 percent of the Commonwealth's settlement payments.

During fiscal 2000, the Legislature enacted two laws to provide for the disposition of tobacco settlement payments. Tobacco settlement payments under the MSA to the Commonwealth are deposited into the Health Care Security Trust Fund. Prescribed amounts are transferred annually to the Tobacco Settlement Fund for expenditure, subject to appropriation, to supplement existing levels of funding for health related services and programs.

13. NON-TAX REVENUE INITIATIVES

Chapter 653, Acts of 1989, amended Chapter 29 of the Massachusetts General Laws by adding Sections 29D and 29E, which authorize certain non-tax revenue initiatives and require reporting thereon, as follows.

Debt Collection Pursuant to Massachusetts General Laws Chapter 29, Section 29D, Chapter 7A Section 8, allows private debt collection agencies to engage in debt collection for the Commonwealth. The fees paid are

contingency based from the proceeds collected. Collections and fees paid during fiscal year 2001 were:

Department Collectors	Collections	Fees
Allen Daniel Associates.....	\$ 104,723	\$ 19,161
Collection Company of America....	210,175	48,257
Gragil Associates, Inc.....	76,294	16,431
OSI.....	460,953	113,226
Walker Associates Inc.....	1,995,932	295,062
Windham Professionals.....	1,027,181	260,625
Total.....	<u>\$ 3,875,258</u>	<u>\$ 752,762</u>

Under the same program, the following amounts were collected and fees paid for institutions of higher education:

Department Collectors	Collections	Fees
Allen Daniel Associates.....	\$ 592,573	\$ 101,492
Collection Company of America....	1,318,293	403,232
Glenn Associates, Inc.....	530,824	104,186
Gragil Associates, Inc.....	11,466	2,868
NCO.....	2,905	355
OSI.....	707,094	169,685
Walker Associates Inc.....	9,727	1,604
Windham Professionals.....	<u>278,929</u>	<u>76,729</u>
Total.....	<u>\$ 3,451,811</u>	<u>\$ 860,151</u>

Revenue Maximization – Pursuant to Massachusetts General Law Chapter 29 Section 29E, contractors were engaged on a contingent fee basis to assist several of the Commonwealth's departments in the identification and collection of federal and other revenues. During fiscal year 2001, approximately \$203,083,000 was collected through such efforts. After contractor programs and fees of \$27,761,000 were paid on a contingent basis, the Commonwealth received approximately \$175,322,000.

Revenue Optimization – Pursuant to Chapter 159 Section 333 of the fiscal year 2001 Budget, contractors were engaged on a contingent fee basis to assist several of the Commonwealth's departments in the identification and collection of federal and other revenues. During fiscal year 2001, approximately \$41,460,000 was collected through such efforts. After contractor payments of \$1,574,000 department incentives of \$3,000,000 and fund splits of \$610,000, the Commonwealth had a net revenue of \$36,276,000 to the General Fund.

Cost Avoidance – Pursuant to Chapter 159 of Section 360 of the fiscal year 2001 Budget, the Comptroller's Office is authorized to engage vendors for the purpose of identification and pursuit of cost savings/avoidance opportunities. In fiscal year 2001, estimated total cost avoidance based on actuarial calculations was approximately \$60,111,000 and fees paid to outside consultants were \$1,803,000. The Commonwealth had a total cost avoidance savings of \$58,308,000.

Intercept– Intercept is authorized by M.G.L. Chapter 7A §3 and 815 CMR 9.06. Intercept is a process that offsets Commonwealth vendor payments and other types of payments (such as tax refunds) against various Commonwealth delinquent debts. The Comptroller's Office is enhancing the intercept program to allow institutions of higher education and non-Commonwealth entities to participate. In fiscal year 2001, the Commonwealth collected \$4,577,000 in intercepts.

Utility Audits – Massachusetts General Law, Chapter 20 Section 29G, authorizes the Department of Procurement and General Services to solicit services and enter into contingent contracts on behalf of governmental entities for the potential of recoupment of overcharges associated with utility expenses. During fiscal year 2001, no funds

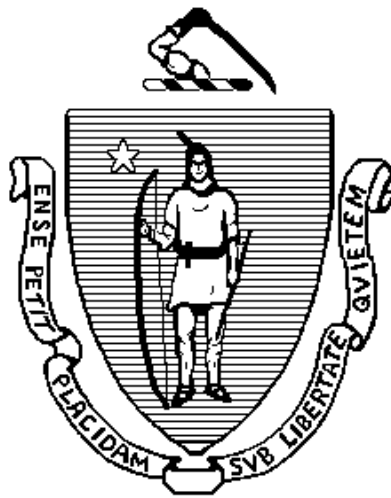
were recouped, paid or payable to the Utility Management Group, resulting in no net benefit to the Commonwealth. However, as of June 30, 2001, there were five reviews for municipalities that have taken advantage of the master service agreement negotiated by Procurement and General Services.

14. SUBSEQUENT EVENTS

In August 2001, the Commonwealth issued \$935,530,000 of Consolidated General Obligation Bonds. Of the \$935,530,000, \$596,745,000 were general obligation refunding bonds. The remaining \$338,785,000 were issued to finance various capital projects of the Commonwealth. The Bonds have maturities from fiscal year 2002 through 2022.

Prior to the events of September 11, 2001, the national and local economies had been weakening, reflecting lower business investment, increased unemployment and, recently, a decline in consumer confidence. Reduced economic activity is expected to lower corporate profits, increase job losses and reduce consumer spending, which would result in reduced personal income and sales tax receipts and other tax revenues for the Commonwealth. The events of September 11 increased the risk of a possible recession and a delay in recovery.

Combining and Individual Fund Financial Statements - Statutory Basis



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Individual Budgeted Funds

MAJOR BUDGETED FUNDS:

The General Fund - The General Fund is the Commonwealth's primary Governmental Fund. All governmental activities not specifically directed to another fund are accounted for in the General Fund. As a result, most budgeted expenditures of the Executive secretariats, the Legislature, constitutional offices, Judiciary, institutions of higher education and independent commissions are paid for from the General Fund. It similarly receives a significant portion of sales, individual income and corporate taxes, and the full amount of most other governmental taxes.

Highway Fund – to account for highway user taxes including the gas tax and fees; used to finance highway maintenance and safety services, and provide matching funds for federally sponsored highway projects as required.

Infrastructure Fund (Subfund of Highway Fund) - details specific components of revenue and expenditure related to the Highway Fund segregated per instructions in Section 2 O of Chapter 29 of the General Laws.

Local Aid Fund - to account for revenue from sales, income, and other corporate taxes and lottery profits, which have been earmarked for distribution to cities and towns or are used to finance programs that benefit local communities.

The Commonwealth Stabilization Fund – to account for amounts calculated in accordance with state finance law and maintain a reserve to enhance the Commonwealth's fiscal stability.

Administrative Control Funds - account for the revenues generated by certain administrative

functions of government, for which the Legislature has required that separate funds be established. These funds include:

Tax Reduction Fund – to account for the maintenance of a reserve, which shall be used only to reduce personal income taxes.

Intragovernmental Service Fund – to account for the charges of any state agency for services provided by another state agency, for example, charges levied by the public employee retirement administration for worker's compensation chargeback.

Revenue Maximization Fund - to account for increased collections as a result of special initiatives; these revenues become available for expenditure by the various state agencies.

Collective Bargaining Reserve Fund - to account for transfers from the general fund, which may be used to fund negotiated contracts for state employees.

Transitional Escrow Fund – to account for funds set aside to be held until December 31, 1999 per section 46 of Chapter 68 of the Acts of 1999, and subsequently until November 30, 2001 under Chapter 88, Section 36 of the Acts of 2001 as a reserve.

BUDGETED ENVIRONMENTAL FUNDS:

These funds account for a variety of revenues, which finance programs to preserve, protect and enhance the environment. These funds include:

Natural Heritage and Endangered Species Fund - to account for revenues from public and private sources and/or the federal government as reimbursements, grants, donations or other receipts; used to acquire by purchase, lease, easement or license land critical to nongame wildlife and endangered species for purposes of protecting and enhancing nongame wildlife.

Mosquito and Greenhead Fly Control Fund - to account for assessments to cities and towns of various mosquito control districts; appropriated to support activities designed to control mosquitoes and /or "greenhead" flies.

Inland Fisheries and Game Fund - to account for revenues from license and permit fees for inland fishing, hunting, trapping, and sporting licenses and revenue producing stamps or the sales of land, rights and properties, gifts, interest, and federal grant reimbursements; used for

developing, maintaining and operating the division of fisheries.

Environmental Challenge Fund – to account for inappropriate disposal of hazardous waste and other environmental infractions; used for cleanup, control or response actions for oil and hazardous materials, and to reduce the production of hazardous waste.

Toxic Use Reduction Fund – to account for the fees, penalties, and other financial charges collected by the Toxic Use Reduction Institute including grants or gifts collected. Appropriations are for the specific purpose of cleaning up and reducing toxic waste.

Clean Environment Fund - to account for programs for recycling compost, solid waste source reduction and other environmental programs, which are financed through unclaimed bottle deposits escheated to the Commonwealth.

Environmental Permitting and Compliance Assurance Fund - to account for revenues from the issuance of permits for the removal of hazardous materials and certain other fees; used to fund the cost of monitoring, discharge sampling and analysis, inspection, technical assistance, and enforcement activities necessary to ensure compliance by persons holding permits.

Underground Storage Tank Petroleum Product Cleanup Fund – to account for fees, penalties, grants, gifts or other contributions used to provide reimbursements for cleanup and other expenditures incurred as a result of damage caused by underground storage tanks and systems.

Environmental Law Enforcement Fund - to account for revenues from certain gas taxes, grants, and revenue from law enforcement coverage details throughout the Commonwealth; used for operating the division of law enforcement.

Public Access Fund - to account for revenues from certain gas taxes and federal reimbursements used for the cost of acquisition, construction, maintenance operation and improvement of public access to state waterways.

Harbors and Inland Waters Maintenance Fund – to account for certain gas taxes, fines, permits and federal reimbursements used for maintenance, dredging and cleaning of harbors, inland waters and great ponds.

Marine Fisheries Fund – to account for revenues from certain gas taxes, licenses, and fees; used to manage the division of marine fisheries.

Watershed Management Fund - to account for revenues from the sale of wood products harvested on watershed lands, and assessments from the Massachusetts Water Resource Authority; used to maintain and operate the MDC Watershed Division.

Low Level Radioactive Waste Management Fund – to account for assessments on persons licensed or registered to receive, possess, use, transfer or acquire radioactive material; used for the expenses of the Low Level Radioactive Waste Management Board to carry out its duties.

Asbestos Cost Recovery Fund – to account for revenues from court judgments/settlements relative to the removal of asbestos; used for operations, maintenance, encapsulation and removal of asbestos.

Clean Air Act Compliance Fund - to account for revenues from permit applications and grants; used for the implementation, administration, monitoring and analysis of permitting compliance and enforcement of technical assistance programs.

Solid Waste Disposal Fund – to account for monies received relative to solid waste disposal including assessments from cities and towns to be appropriated for the purpose of management, maintenance and operation of solid waste disposal facilities.

Second Century Fund - to account for fees or charges for use of the Commonwealth's system of parks, forests or other natural resources subject to the oversight of the department of environmental management pursuant to section two of chapter twenty-one; and expenditure for the enhancement, improvement and maintenance of forest and parks systems.

Safe Drinking Water Fund - to account for drinking water assessments to end suppliers engaged in the distribution of water and used for the administration of monitoring federal safe drinking water act.

OTHER BUDGETED FUNDS:

These funds account for a variety of miscellaneous taxes, fees, fines and other revenues, which are restricted to the financing of specific Commonwealth programs.

Rate Payer Parity Trust Fund – to account for all personal and corporate tax revenues attributable to the sale of assets relative to electric companies and penalties and fees collected for the purpose of providing extraordinary assistance in achieving the required electricity rate reduction.

Child Support Penalty Fee Fund - to account for penalties, fees or interest assessed by IV-D agency to establish the enforcement of child support authorized under Title IV of the Social Security Act.

Workforce Training Fund - to account for revenues from new unemployment surcharge of .075% of unemployment taxable wages on employers; to provide grants to employers and labor groups to provide education and training to new and existing employees.

Brownfields Revitalization Fund – to account for transfers from General Fund and related interest or investment earnings; amount appropriated for financial assistance to project sites located within Federal Empowerment Zones or Enterprise communities.

Firearms Records Keeping Fund – to account for revenues from firearms registration fees for the purpose of implementing, enhancing and maintaining a state firearms information system.

Clean Election Fund – to account for revenues from the voluntary tax return "check off" on personal tax returns for the purpose of payment to eligible candidates for public financing of campaigns for statewide elective office.

Tobacco Settlement Fund – to account for the transfer of all designated scheduled payments received by the Commonwealth pursuant to the Master Tobacco Settlement; amounts appropriated for funding health related services and programs intended to control or reduce the use of tobacco in the Commonwealth.

Antitrust Law Enforcement Fund – to account for fines, penalties received and expenses paid related to actions brought by the Attorney General in connection with antitrust actions.

Victim and Witness Assistance Fund - to account for assessments imposed on individuals convicted of crimes; used to make grants to District Attorney's Offices and the Parole Board for programs serving crime victims and witnesses.

Intercity Bus Capital Assistance Fund – to account for the acquisition of vehicles for inter-city transportation and the revenues and costs associated with their operation.

Motorcycle Safety Fund – to account for motorcycle registration fees collected to administer motorcycle safety programs.

Drug Analysis Fund – to account for certain revenues received by the courts resulting from fines; used for the cost of analysis of controlled substances.

Trust Fund for the Head Injury Treatment Services Fund - to account for revenues from a surcharge on fines resulting from 'driving under the influence' convictions; funds the Massachusetts Rehabilitation Commission's statewide head injury program to develop and maintain non-residential rehabilitation services for head injured persons.

Massachusetts Tourism Fund - to account for revenues received from hotel taxes; used to fund the Office of Travel and Tourism promotions and the Massachusetts Convention Center Authority.

Ponkapoag Recreational Fund – to account for a portion of golf course revenues; used for the capital improvement, purchase of equipment, and maintenance of the golf course.

Leo J. Martin Recreation Fund – to account for a portion of golf course revenues; used for the capital improvement, purchase of equipment and maintenance of the golf course.

Division of Insurance Fund – to account for revenues collected from agent licenses used to fund the cost related to accreditation from the National Association of Insurance Commissioners.

Health Protection Fund – to account for a portion of the cigarette tax, penalties, forfeitures, interest, settlements of lawsuits and fines collected in connection with sales of cigarettes; used to supplement existing funding for school health education programs, workplace and community smoking prevention and cessation programs, public service advertising, and for support of community health centers and their programs of prenatal and maternal care.

State Building Management Fund – to account for revenue rentals and commissions, such as parking fees and expenditures for the maintenance and operation of the Massachusetts Information Technology Center, the Springfield State Office Building, the State Transportation Building and other facilities.

Reggie Lewis Track and Athletic Center Fund - to account for revenues from user fees, concession stand commissions and other fees used for equipment repair, maintenance and non - payroll operating expenses.

Assisted Living Administration Fund – to account for certification fees; used for operating expenses associated with the regulation of Elder Affairs Assisted Living.

Commonwealth Cost Relief Fund – to account for transfers from other funds; used for subsidies and other assistance for water pollution abatement projects, mitigation of sewer rate increases, and for extraordinary expenditures of the Commonwealth.

Children's and Senior's Health Care Assistance Fund – to account for a portion of the cigarette and smokeless tobacco tax, inventory tax and related investment income; to be appropriated for the provision of medical benefits to expansion beneficiaries and a five year pilot program of pharmacy assistance.

Diversity Awareness Education Trust Fund - to account for fines and related interest or investment earnings from the trial courts from assault and battery cases with the intent to intimidate based on race, color, religion, sexual orientation, nationality or disability; to be appropriated for the purpose of developing and maintaining diversity awareness educational programs and courses for persons convicted of such crimes.

Child Care Fund - to account for monies transferred from Transitional Aid to Needy Families Fund; used for the administration of childcare programs under the Office of Child Care Services.

Transitional Aid to Needy Families Fund - to account for all federal revenues and reimbursements received by the Commonwealth pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, effectively ending Aid to Families with Dependent Children (AFDC) and replacing it with Transitional Aid to Needy Families (TANF) block grants.

Social Services Program Fund – to account for monies transferred from Transitional Aid to Needy Families Fund, used for the operation of the Department of Social Services.

Local Consumer Inspection Fund – to account for all amounts generated from item pricing fines, appropriated to provide financial assistance to eligible local or regional agencies.

Caseload Increase Mitigation Fund – to account for revenues or other financing sources directed by budget to be appropriated for increased costs due to excessive welfare cases or to accommodate for fluctuations in federal funding for the Department of Transitional Assistance.

Convention and Exhibition Center Fund – to account for surcharges imposed on tourist tickets, such as cruise and for any land-based sightseeing located in the Commonwealth to finance the construction of a new Boston Convention Center.

Voting Equipment Loan Fund - to account for transfers from General Fund; loans to municipalities to replace punch card voting systems which shall be repaid to the Commonwealth no later than ten years after such loan is made.

The following funds have been enacted in legislation but are inactive for fiscal 2001:

Danvers State Hospital Reuse – to account for the first \$100,000 proceeds of sale, lease or other disposition of the Danvers State Hospital Disposition sites and is available for the needs of mental health clients formerly served by the Danvers State Hospital.

Adoption Affordability Assistance Fund – to account for state appropriations, federal reimbursements, grants and donations from public and private sources to provide funding for below market rate loans to families to adopt children. This program is managed by the Office of Child Care Services.

False Claims Prosecution Fund – to account for monies received by the Commonwealth related to actions brought by the Attorney General in connection with fraudulent claims for payment. Amounts to be expended for the investigation and prosecution of false claims action.

University of Massachusetts Lowell Wannalancit Complex Building Management Fund – to account for revenues from leasing, operation, granting of concession or other use of the Wannalancit Complex; used to meet obligations related to operation and ownership of the complex.



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Budgeted Funds
Combining Balance Sheet - Statutory Basis

June 30, 2001 and 2000
(Amounts in thousands)

	General	Highway	Local Aid
ASSETS			
Cash and short-term investments.....	\$ 970,457	\$ -	\$ 239,759
Cash with fiscal agent.....	-	26,061	-
Receivables, net of allowance for uncollectibles:			
Taxes.....	3,160	-	-
Due from federal government.....	117,998	-	-
Other receivables.....	11,848	-	-
Due from cities and towns.....	1,273	-	557
Due from other funds.....	-	270	-
Total assets.....	<u>\$ 1,104,736</u>	<u>\$ 26,331</u>	<u>\$ 240,316</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Deficiency in cash and short-term investments.....	\$ -	\$ 280,638	\$ -
Accounts payable.....	412,000	12,814	202,636
Accrued payroll.....	99,305	11,393	19,457
Total liabilities.....	<u>511,305</u>	<u>304,845</u>	<u>222,093</u>
Fund balances (deficits):			
Reserved for:			
Continuing appropriations.....	183,049	7,026	33,240
Commonwealth stabilization.....	-	-	-
Tax reduction.....	-	-	-
Transitional escrow.....	-	-	-
Debt service.....	-	26,061	-
Unreserved:			
Undesignated.....	410,382	(311,601)	(15,017)
Total fund balances (deficits).....	<u>593,431</u>	<u>(278,514)</u>	<u>18,223</u>
Total liabilities and fund balances.....	<u>\$ 1,104,736</u>	<u>\$ 26,331</u>	<u>\$ 240,316</u>

Commonwealth Stabilization	Administrative Control	Environmental	Other	Totals (Memorandum only)	
				2001	2000
\$ 1,714,990	\$ 631,111	\$ -	\$ 315,429	\$ 3,871,746	\$ 3,040,856
-	-	-	-	26,061	26,060
-	-	-	-	3,160	3,021
-	-	-	175,720	293,718	246,608
-	-	3,454	-	15,302	17,763
-	-	-	-	1,830	5,261
-	-	-	-	270	141
<u>\$ 1,714,990</u>	<u>\$ 631,111</u>	<u>\$ 3,454</u>	<u>\$ 491,149</u>	<u>\$ 4,212,087</u>	<u>\$ 3,339,710</u>
\$ -	\$ -	\$ 58,391	\$ -	\$ 339,029	\$ 31,626
-	13,462	11,288	76,800	729,000	904,469
-	527	2,094	265	133,041	118,174
<u>-</u>	<u>13,989</u>	<u>71,773</u>	<u>77,065</u>	<u>1,201,070</u>	<u>1,054,269</u>
-	4,342	4,471	57,901	290,029	252,466
1,714,990	-	-	-	1,714,990	1,608,382
-	33,565	-	-	33,565	7,203
-	579,215	-	-	579,215	-
-	-	-	-	26,061	26,060
<u>-</u>	<u>-</u>	<u>(72,790)</u>	<u>356,183</u>	<u>367,157</u>	<u>391,330</u>
<u>1,714,990</u>	<u>617,122</u>	<u>(68,319)</u>	<u>414,084</u>	<u>3,011,017</u>	<u>2,285,441</u>
<u>\$ 1,714,990</u>	<u>\$ 631,111</u>	<u>\$ 3,454</u>	<u>\$ 491,149</u>	<u>\$ 4,212,087</u>	<u>\$ 3,339,710</u>

Budgeted Funds

Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Years Ended June 30, 2001 and 2000
(Amounts in thousands)

	General	Highway	Local Aid	Commonwealth Stabilization
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 9,602,242	\$ 564,622	\$ 5,578,947	\$ -
Assessments.....	68,527	10,168	-	-
Federal grants and reimbursements.....	2,991,936	562	-	-
Departmental.....	622,199	328,504	969	-
Miscellaneous.....	145,932	2,108	624	80,845
Total revenues.....	13,430,836	905,964	5,580,540	80,845
Other financing sources:				
Fringe benefit cost recovery.....	196,238	-	-	-
Lottery reimbursements.....	85,646	-	-	-
Lottery distributions.....	1,000	-	861,132	-
Transfer for MBTA contract assistance.....	-	-	-	-
MBTA forward funding transfer.....	-	-	-	-
Caseload mitigation.....	-	-	-	-
Tobacco settlement transfer.....	-	-	-	-
Operating transfers in.....	214,063	5,700	-	-
Collective bargaining reserve.....	-	-	-	-
Transfer for transitional escrow.....	-	-	-	-
Stabilization transfer.....	-	-	-	51,693
Fund deficit elimination.....	-	-	-	-
Federal reimbursement transfer in.....	-	1,717	-	-
Transfer for tax reduction.....	-	-	-	-
Total other financing sources.....	496,947	7,417	861,132	51,693
Total revenues and other financing sources.....	13,927,783	913,381	6,441,672	132,538
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Legislature.....	55,536	-	-	-
Judiciary.....	587,983	-	-	-
Inspector General.....	2,454	-	-	-
Governor and Lieutenant Governor.....	5,981	-	-	-
Secretary of the Commonwealth.....	43,306	-	-	-
Treasurer and Receiver-General.....	109,486	20,478	5,549	-
Auditor of the Commonwealth.....	14,726	-	732	-
Attorney General.....	30,595	541	964	-
Ethics Commission.....	770	-	772	-
District Attorney.....	68,748	3,341	-	-
Office of Campaign & Political Finance.....	539	-	540	-
Sheriff's Departments.....	196,284	313	133	-
Disabled Persons Protection Commission.....	1,673	-	-	-
Board of Library Commissioners.....	4,395	-	3,319	-
Comptroller.....	7,676	-	-	-
Administration and finance.....	935,458	6,435	164,346	-
Environmental affairs.....	77,647	28,747	32,035	-
Communities and development.....	100,927	-	37,501	-
Health and human services.....	3,490,665	-	1,552	-
Transportation and construction.....	17,619	160,568	17,046	-
Education.....	17,906	-	300,605	-
Higher education.....	1,099,442	-	-	-
Public safety.....	472,732	226,015	156,221	-
Economic development.....	15,608	-	800	-
Elder affairs.....	175,515	-	11,421	-
Consumer affairs.....	44,500	2,214	-	-
Labor.....	40,899	-	-	-
Direct local aid.....	13,248	43,472	4,912,720	-
Medicaid.....	4,087,485	-	-	-
Pension.....	427,430	67,760	544,009	-
Debt service:				
Principal retirement.....	46,222	68,971	13,215	-
Interest and fiscal charges.....	237,557	243,538	66,281	-
Total expenditures.....	12,431,012	872,393	6,269,761	-
Other financing uses:				
Fringe benefit cost assessment.....	-	41,110	-	-
Transfer for MBTA contract assistance.....	-	-	-	-
Operating transfers out.....	169,926	98,808	18,952	-
Sewer rate relief.....	-	-	53,914	-
Collective bargaining reserve.....	-	-	-	-
Caseload mitigation.....	431	-	-	-
Transfer for capital projects funds.....	-	-	-	-
Surplus transfer for capital projects.....	34,462	-	-	-
Stabilization transfer.....	31,016	-	20,677	-
Fund deficit elimination.....	-	-	-	-
Transfer for transitional escrow.....	579,215	-	-	-
Transfer for debt defeasance.....	-	-	-	-
Transfer for capital projects due to debt defeasance.....	345,753	209,983	68,507	-
Transfer for tax reduction.....	-	-	-	25,930
Total other financing uses.....	1,160,803	349,901	162,050	25,930
Total expenditures and other financing uses.....	13,591,815	1,222,294	6,431,811	25,930
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	335,968	(308,913)	9,861	106,608
Fund balances (deficit) at beginning of year.....	257,463	30,399	8,362	1,608,382
Fund balances (deficit) at end of year.....	\$ 593,431	\$ (278,514)	\$ 18,223	\$ 1,714,990

Administrative Control	Environmental	Other	Totals (Memorandum only)	
			2001	2000
\$ -	\$ 8,091	\$ 320,753	\$ 16,074,655	\$ 15,688,616
-	13,808	-	92,503	109,074
41,374	2,434	937,852	3,974,158	3,645,550
105,472	56,307	49,388	1,162,839	1,096,388
432	36,095	18,980	285,016	269,879
<u>147,278</u>	<u>116,735</u>	<u>1,326,973</u>	<u>21,589,171</u>	<u>20,809,507</u>
-	-	-	196,238	124,303
-	-	-	85,646	80,757
-	-	-	862,132	837,314
-	-	-	-	154,430
-	-	-	-	612,750
-	-	2,021	2,021	22,091
-	-	81,506	81,506	83,597
11,002	555	90,952	322,272	269,901
-	-	-	-	54,168
579,215	-	-	579,215	75,200
-	-	-	51,693	114,871
-	-	-	-	2,979,782
-	-	-	1,717	2,431
25,930	-	-	25,930	-
<u>616,147</u>	<u>555</u>	<u>174,479</u>	<u>2,208,370</u>	<u>5,411,595</u>
<u>763,425</u>	<u>117,290</u>	<u>1,501,452</u>	<u>23,797,541</u>	<u>26,221,102</u>
-	-	-	55,536	51,932
-	-	82	588,065	547,845
-	-	-	2,454	2,429
-	-	-	5,981	5,514
125	-	-	43,431	40,544
-	-	393	135,906	115,481
-	-	-	15,458	14,874
-	125	1,497	33,722	28,007
-	-	-	1,542	1,425
-	-	8,703	80,792	72,151
-	-	-	1,079	887
-	-	69	196,799	172,669
-	-	-	1,673	1,558
-	-	-	7,714	7,261
506	-	-	8,182	7,618
90,286	30,482	39,687	1,266,694	1,236,510
409	94,440	1,364	234,642	218,357
-	-	2,413	140,841	138,098
11,124	80	715,671	4,219,092	3,973,893
361	44	4,300	199,938	1,360,073
-	-	66,892	385,403	357,176
19	1,784	1,013	1,102,258	996,032
12,616	166	5,810	873,560	824,788
-	-	34,902	51,310	35,451
189	-	26,911	214,036	189,760
-	-	4,413	51,127	46,293
-	-	12,944	53,843	55,600
-	-	-	4,969,440	4,673,942
-	-	554,857	4,642,342	4,269,990
-	922	-	1,040,121	986,303
-	-	18	128,426	671,003
-	-	137	547,513	522,326
<u>115,635</u>	<u>128,043</u>	<u>1,482,076</u>	<u>21,298,920</u>	<u>21,625,790</u>
1,787	17,052	12,547	72,496	23,916
-	-	-	-	154,430
41,276	73	9	329,044	221,602
-	-	-	53,914	53,914
-	-	-	-	54,168
-	-	1,590	2,021	22,091
-	-	-	-	128,977
-	-	-	34,462	76,581
-	-	-	51,693	114,871
-	-	-	-	2,979,782
-	-	-	579,215	92,000
-	-	-	-	500,000
-	-	27	624,270	-
-	-	-	25,930	-
<u>43,063</u>	<u>17,125</u>	<u>14,173</u>	<u>1,773,045</u>	<u>4,422,332</u>
<u>158,698</u>	<u>145,168</u>	<u>1,496,249</u>	<u>23,071,965</u>	<u>26,048,122</u>
604,727	(27,878)	5,203	725,576	172,980
12,395	(40,441)	408,881	2,285,441	2,112,461
<u>\$ 617,122</u>	<u>\$ (68,319)</u>	<u>\$ 414,084</u>	<u>\$ 3,011,017</u>	<u>\$ 2,285,441</u>

Budgeted Funds

Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis - Budget And Actual

Fiscal Year Ended June 30, 2001

(Amounts in thousands)

	General			Highway		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES						
Revenues:						
Taxes.....	\$ 9,058,700	\$ 9,602,242	\$ 543,542	\$ 602,200	\$ 564,622	\$ (37,578)
Assessments.....	-	68,527	68,527	-	10,168	10,168
Federal grants and reimbursements.....	2,889,400	2,991,936	102,536	2,500	562	(1,938)
Departmental.....	821,700	622,199	(199,501)	294,400	328,504	34,104
Miscellaneous.....	-	145,932	145,932	-	2,108	2,108
Total revenues.....	12,769,800	13,430,836	661,036	899,100	905,964	6,864
Other financing sources:						
Fringe benefit cost recovery.....	-	196,238	196,238	-	-	-
Lottery reimbursements.....	86,492	85,646	(846)	-	-	-
Lottery distributions.....	1,000	1,000	-	-	-	-
Caseload mitigation.....	-	-	-	-	-	-
Tobacco settlement transfer.....	-	-	-	-	-	-
Operating transfers in.....	134,708	214,063	79,355	-	5,700	5,700
Transfer for transitional escrow.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Federal reimbursement transfer in.....	-	-	-	-	1,717	1,717
Transfer for tax reduction.....	-	-	-	-	-	-
Total other financing sources.....	222,200	496,947	274,747	-	7,417	7,417
Total revenues and other financing sources.....	12,992,000	13,927,783	935,783	899,100	913,381	14,281
EXPENDITURES AND OTHER FINANCING USES						
Expenditures:						
Legislature.....	85,172	55,536	29,636	-	-	-
Judiciary.....	605,653	587,983	17,670	-	-	-
Inspector General.....	2,468	2,454	14	-	-	-
Governor and Lieutenant Governor.....	6,366	5,981	385	-	-	-
Secretary of the Commonwealth.....	44,559	43,306	1,253	-	-	-
Treasurer and Receiver-General.....	117,641	109,486	8,155	45,689	20,478	25,211
Auditor of the Commonwealth.....	14,727	14,726	1	-	-	-
Attorney General.....	33,354	30,595	2,759	541	541	-
Ethics Commission.....	772	770	2	-	-	-
District Attorney.....	69,041	68,748	293	3,641	3,341	300
Office of Campaign and Political Finance.....	543	539	4	-	-	-
Sheriff's departments.....	199,034	196,284	2,750	353	313	40
Disabled Persons Protection Commission.....	1,682	1,673	9	-	-	-
Board of Library Commissioners.....	4,395	4,395	-	-	-	-
Comptroller.....	7,695	7,676	19	-	-	-
Administration and finance.....	947,033	935,458	11,575	11,861	6,435	5,426
Environmental affairs.....	90,672	77,647	13,025	30,492	28,747	1,745
Communities and development.....	119,179	100,927	18,252	-	-	-
Health and human services.....	3,545,824	3,490,665	55,159	-	-	-
Transportation and construction.....	17,841	17,619	222	168,253	160,568	7,685
Education.....	24,455	17,906	6,549	-	-	-
Higher education.....	1,106,832	1,099,442	7,390	-	-	-
Public safety.....	483,869	472,732	11,137	228,826	226,015	2,811
Economic development.....	16,009	15,608	401	-	-	-
Elder affairs.....	178,544	175,515	3,029	-	-	-
Consumer affairs.....	48,027	44,500	3,527	2,289	2,214	75
Labor.....	46,091	40,899	5,192	-	-	-
Direct local aid.....	13,258	13,248	10	43,472	43,472	-
Medicaid.....	4,146,549	4,087,485	59,064	-	-	-
Pension.....	428,549	427,430	1,119	68,003	67,760	243
Debt service:						
Principal retirement.....	53,412	46,222	7,190	74,125	68,971	5,154
Interest and fiscal charges.....	245,811	237,557	8,254	248,239	243,538	4,701
Total expenditures.....	12,705,057	12,431,012	274,045	925,784	872,393	53,391
Other financing uses:						
Fringe benefit cost assessment.....	-	-	-	-	41,110	(41,110)
Operating transfers out.....	169,926	169,926	-	98,808	98,808	-
Sewer rate relief.....	-	-	-	-	-	-
Caseload mitigation.....	431	431	-	-	-	-
Surplus transfer for capital projects.....	-	34,462	(34,462)	-	-	-
Stabilization transfer.....	-	31,016	(31,016)	-	-	-
Fund deficit elimination.....	-	-	-	-	-	-
Transfer for transitional escrow.....	579,215	579,215	-	-	-	-
Transfer for capital projects due to debt defeasance.....	345,753	345,753	-	209,983	209,983	-
Transfer for tax reduction.....	-	-	-	-	-	-
Total other financing uses.....	1,095,325	1,160,803	(65,478)	308,791	349,901	(41,110)
Total expenditures and other financing uses.....	13,800,382	13,591,815	208,567	1,234,575	1,222,294	12,281
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(808,382)	335,968	1,144,350	(335,475)	(308,913)	26,562
Fund balances (deficit) at beginning of year.....	257,463	257,463	-	30,399	30,399	-
Fund balances (deficit) at end of year.....	\$ (550,919)	\$ 593,431	\$ 1,144,350	\$ (305,076)	\$ (278,514)	\$ 26,562

Local Aid			Commonwealth Stabilization			Administrative Control		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 5,254,700	\$ 5,578,947	\$ 324,247	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	41,374	41,374
6,200	969	(5,231)	-	-	-	4,096	105,472	101,376
-	624	624	65,000	80,845	15,845	380	432	52
5,260,900	5,580,540	319,640	65,000	80,845	15,845	4,476	147,278	142,802
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
808,600	861,132	52,532	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	11,002	11,002
-	-	-	-	-	-	-	579,215	579,215
-	-	-	-	51,693	51,693	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	25,930	25,930
808,600	861,132	52,532	-	51,693	51,693	-	616,147	616,147
6,069,500	6,441,672	372,172	65,000	132,538	67,538	4,476	763,425	758,949
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
5,816	5,549	267	-	-	-	125	125	-
732	732	-	-	-	-	-	-	-
967	964	3	-	-	-	-	-	-
774	772	2	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
545	540	5	-	-	-	-	-	-
145	133	12	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3,320	3,319	1	-	-	-	-	-	-
-	-	-	-	-	-	507	506	1
167,104	164,346	2,758	-	-	-	97,207	90,286	6,921
33,435	32,035	1,400	-	-	-	427	409	18
37,859	37,501	358	-	-	-	-	-	-
1,650	1,552	98	-	-	-	11,576	11,124	452
17,105	17,046	59	-	-	-	396	361	35
350,171	300,605	49,566	-	-	-	-	-	-
-	-	-	-	-	-	19	19	-
158,420	156,221	2,199	-	-	-	12,705	12,616	89
800	800	-	-	-	-	-	-	-
11,643	11,421	222	-	-	-	198	189	9
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
4,927,687	4,912,720	14,967	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
544,009	544,009	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
14,717	13,215	1,502	-	-	-	-	-	-
67,570	66,281	1,289	-	-	-	-	-	-
6,344,469	6,269,761	74,708	-	-	-	123,160	115,635	7,525
-	-	-	-	-	-	-	1,787	(1,787)
18,952	18,952	-	-	-	-	41,276	41,276	-
53,914	53,914	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	20,677	(20,677)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
68,507	68,507	-	-	-	-	-	-	-
-	-	-	-	25,930	(25,930)	-	-	-
141,373	162,050	(20,677)	-	25,930	(25,930)	41,276	43,063	(1,787)
6,485,842	6,431,811	54,031	-	25,930	(25,930)	164,436	158,698	5,738
(416,342)	9,861	426,203	65,000	106,608	41,608	(159,960)	604,727	764,687
8,362	8,362	-	1,608,382	1,608,382	-	12,395	12,395	-
\$ (407,980)	\$ 18,223	\$ 426,203	\$ 1,673,382	\$ 1,714,990	\$ 41,608	\$ (147,565)	\$ 617,122	\$ 764,687

Budgeted Funds

Combining Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis - Budget And Actual

Fiscal Year Ended June 30, 2001

(Amounts in thousands)

	Environmental			Other		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES AND OTHER FINANCING SOURCES						
Revenues:						
Taxes.....	\$ 8,700	\$ 8,091	\$ (609)	\$ 279,500	\$ 320,753	\$ 41,253
Assessments.....	23,651	13,808	(9,843)	-	-	-
Federal grants and reimbursements.....	3,959	2,434	(1,525)	902,041	937,852	35,811
Departmental.....	55,022	56,307	1,285	51,297	49,388	(1,909)
Miscellaneous.....	27,854	36,095	8,241	-	18,980	18,980
Total revenues.....	119,186	116,735	(2,451)	1,232,838	1,326,973	94,135
Other financing sources:						
Fringe benefit cost recovery.....	-	-	-	-	-	-
Lottery reimbursements.....	-	-	-	-	-	-
Lottery distributions.....	-	-	-	-	-	-
Caseload mitigation.....	-	-	-	-	2,021	2,021
Tobacco settlement transfer.....	-	-	-	94,000	81,506	(12,494)
Operating transfers in.....	100	555	455	90,952	90,952	-
Transfer for transitional escrow.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Federal reimbursement transfer in.....	-	-	-	-	-	-
Transfer for tax reduction.....	-	-	-	-	-	-
Total other financing sources.....	100	555	455	184,952	174,479	(10,473)
Total revenues and other financing sources.....	119,286	117,290	(1,996)	1,417,790	1,501,452	83,662
EXPENDITURES AND OTHER FINANCING USES						
Expenditures:						
Legislature.....	-	-	-	-	-	-
Judiciary.....	-	-	-	84	82	2
Inspector General.....	-	-	-	-	-	-
Governor and Lieutenant Governor.....	-	-	-	-	-	-
Secretary of the Commonwealth.....	-	-	-	-	-	-
Treasurer and Receiver-General.....	-	-	-	394	393	1
Auditor of the Commonwealth.....	-	-	-	-	-	-
Attorney General.....	162	125	37	1,663	1,497	166
Ethics Commission.....	-	-	-	-	-	-
District Attorney.....	-	-	-	8,766	8,703	63
Office of Campaign & Political Finance.....	-	-	-	-	-	-
Sheriff's Departments.....	-	-	-	96	69	27
Disabled Persons Protection Commission.....	-	-	-	-	-	-
Board of Library Commissioners.....	-	-	-	-	-	-
Comptroller.....	-	-	-	-	-	-
Administration and finance.....	34,328	30,482	3,846	65,471	39,687	25,784
Environmental affairs.....	99,966	94,440	5,526	1,580	1,364	216
Communities and development.....	-	-	-	2,429	2,413	16
Health and human services.....	89	80	9	755,347	715,671	39,676
Transportation and construction.....	52	44	8	4,875	4,300	575
Education.....	-	-	-	67,947	66,892	1,055
Higher education.....	1,809	1,784	25	1,059	1,013	46
Public safety.....	166	166	-	5,924	5,810	114
Economic development.....	-	-	-	49,259	34,902	14,357
Elder affairs.....	-	-	-	32,604	26,911	5,693
Consumer affairs.....	-	-	-	4,564	4,413	151
Labor.....	-	-	-	33,246	12,944	20,302
Direct local aid.....	-	-	-	-	-	-
Medicaid.....	-	-	-	580,667	554,857	25,810
Pension.....	922	922	-	-	-	-
Debt service:						
Principal retirement.....	-	-	-	19	18	1
Interest and fiscal charges.....	-	-	-	139	137	2
Total expenditures.....	137,494	128,043	9,451	1,616,133	1,482,076	134,057
Other financing uses:						
Fringe benefit cost assessment.....	-	17,052	(17,052)	-	12,547	(12,547)
Operating transfers out.....	73	73	-	9	9	-
Sewer rate relief.....	-	-	-	-	-	-
Caseload mitigation.....	-	-	-	1,590	1,590	-
Surplus transfer for capital projects.....	-	-	-	-	-	-
Stabilization transfer.....	-	-	-	-	-	-
Fund deficit elimination.....	-	-	-	-	-	-
Transfer for transitional escrow.....	-	-	-	-	-	-
Transfer for capital projects due to debt defeasance.....	-	-	-	27	27	-
Transfer for tax reduction.....	-	-	-	-	-	-
Total other financing uses.....	73	17,125	(17,052)	1,626	14,173	(12,547)
Total expenditures and other financing uses.....	137,567	145,168	(7,601)	1,617,759	1,496,249	121,510
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(18,281)	(27,878)	(9,597)	(199,969)	5,203	205,172
Fund balances (deficit) at beginning of year.....	(40,441)	(40,441)	-	408,881	408,881	-
Fund balances (deficit) at end of year.....	\$ (58,722)	\$ (68,319)	\$ (9,597)	\$ 208,912	\$ 414,084	\$ 205,172

Totals (Memorandum only)		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 15,203,800	\$ 16,074,655	\$ 870,855
23,651	92,503	68,852
3,797,900	3,974,158	176,258
1,232,715	1,162,839	(69,876)
93,234	285,016	191,782
20,351,300	21,589,171	1,237,871
-	196,238	196,238
86,492	85,646	(846)
809,600	862,132	52,532
-	2,021	2,021
94,000	81,506	(12,494)
225,760	322,272	96,512
-	579,215	579,215
-	51,693	51,693
-	1,717	1,717
-	25,930	25,930
1,215,852	2,208,370	966,588
21,567,152	23,797,541	2,204,459
85,172	55,536	29,636
605,737	588,065	17,672
2,468	2,454	14
6,366	5,981	385
44,684	43,431	1,253
169,540	135,906	33,634
15,459	15,458	1
36,687	33,722	2,965
1,546	1,542	4
81,448	80,792	656
1,088	1,079	9
199,628	196,799	2,829
1,682	1,673	9
7,715	7,714	1
8,202	8,182	20
1,323,004	1,266,694	56,310
256,572	234,642	21,930
159,467	140,841	18,626
4,314,486	4,219,092	95,394
208,522	199,938	8,584
442,573	385,403	57,170
1,109,719	1,102,258	7,461
889,910	873,560	16,350
66,068	51,310	14,758
222,989	214,036	8,953
54,880	51,127	3,753
79,337	53,843	25,494
4,984,417	4,969,440	14,977
4,727,216	4,642,342	84,874
1,041,483	1,040,121	1,362
142,273	128,426	13,847
561,759	547,513	14,246
21,852,097	21,298,920	553,177
-	72,496	(72,496)
329,044	329,044	-
53,914	53,914	-
2,021	2,021	-
-	34,462	(34,462)
-	51,693	(51,693)
-	-	-
579,215	579,215	-
624,270	624,270	-
-	25,930	(25,930)
1,588,464	1,773,045	(158,651)
23,440,561	23,071,965	394,526
(1,873,409)	725,576	2,598,985
2,285,441	2,285,441	-
\$ 412,032	\$ 3,011,017	\$ 2,598,985

General Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 970,457	\$ 743,032
Receivables, net of allowance for uncollectibles:		
Taxes.....	3,160	3,021
Due from federal government.....	117,998	132,939
Other receivables.....	11,848	10,077
Due from cities and towns.....	<u>1,273</u>	<u>4,766</u>
Total assets.....	<u><u>\$ 1,104,736</u></u>	<u><u>\$ 893,835</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 412,000	\$ 548,756
Accrued payroll.....	<u>99,305</u>	<u>87,616</u>
Total liabilities.....	<u>511,305</u>	<u>636,372</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	183,049	178,952
Unreserved fund balance (deficit):		
Undesignated.....	<u>410,382</u>	<u>78,511</u>
Total fund balance (deficit).....	<u>593,431</u>	<u>257,463</u>
Total liabilities and fund balance.....	<u><u>\$ 1,104,736</u></u>	<u><u>\$ 893,835</u></u>

General Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 9,058,700	\$ 9,602,242	\$ 543,542	\$ 9,341,792
Assessments.....	-	68,527	68,527	76,109
Federal grants and reimbursements.....	2,889,400	2,991,936	102,536	2,807,999
Departmental.....	821,700	622,199	(199,501)	596,844
Miscellaneous.....	-	145,932	145,932	145,136
Total revenues.....	12,769,800	13,430,836	661,036	12,967,880
Other financing sources:				
Fringe benefit cost recovery.....	-	196,238	196,238	124,303
Lottery reimbursements.....	86,492	85,646	(846)	80,757
Lottery distributions.....	1,000	1,000	-	1,000
Transfer for MBTA contract assistance.....	-	-	-	154,430
MBTA forward funding transfer.....	-	-	-	612,750
Collective bargaining reserve	-	-	-	54,168
Operating transfers in.....	134,708	214,063	79,355	160,144
Total other financing sources.....	222,200	496,947	274,747	1,187,552
Total revenues and other financing sources.....	12,992,000	13,927,783	935,783	14,155,432
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Legislature.....	85,172	55,536	29,636	51,932
Judiciary.....	605,653	587,983	17,670	534,691
Inspector General.....	2,468	2,454	14	2,429
Governor and Lieutenant Governor.....	6,366	5,981	385	5,514
Secretary of the Commonwealth.....	44,559	43,306	1,253	40,419
Treasurer and Receiver-General.....	117,641	109,486	8,155	107,457
Auditor of the Commonwealth.....	14,727	14,726	1	14,141
Attorney General.....	33,354	30,595	2,759	26,048
Ethics Commission.....	772	770	2	711
District Attorney.....	69,041	68,748	293	64,046
Office of Campaign and Political Finance.....	543	539	4	443
Sheriff's Departments.....	199,034	196,284	2,750	172,162
Disabled Persons Protection Commission.....	1,682	1,673	9	1,558
Board of Library Commissioners.....	4,395	4,395	-	4,395
Comptroller.....	7,695	7,676	19	7,148

General Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Expenditures (continued):				
Administration and finance.....	947,033	935,458	11,575	914,861
Environmental affairs.....	90,672	77,647	13,025	65,716
Communities and development.....	119,179	100,927	18,252	99,686
Health and human services.....	3,545,824	3,490,665	55,159	3,283,867
Transportation and construction.....	17,841	17,619	222	991,819
Education.....	24,455	17,906	6,549	17,116
Higher education.....	1,106,832	1,099,442	7,390	976,409
Public safety.....	483,869	472,732	11,137	450,518
Economic development.....	16,009	15,608	401	11,247
Elder affairs.....	178,544	175,515	3,029	176,981
Consumer affairs.....	48,027	44,500	3,527	39,840
Labor.....	46,091	40,899	5,192	43,854
Direct local aid.....	13,258	13,248	10	1,372
Medicaid.....	4,146,549	4,087,485	59,064	3,850,824
Pension.....	428,549	427,430	1,119	381,509
Debt service:				
Principal retirement.....	53,412	46,222	7,190	411,742
Interest and fiscal charges.....	245,811	237,557	8,254	244,053
Total expenditures.....	12,705,057	12,431,012	274,045	12,994,508
Other financing uses:				
Caseload mitigation.....	431	431	-	1,508
Transfer for capital projects funds.....	-	-	-	78,977
Surplus transfer for capital projects.....	-	34,462	(34,462)	76,581
Transfer for transitional escrow.....	579,215	579,215	-	-
Transfer for debt defeasance.....	-	-	-	500,000
Transfer for capital projects due to debt defeasance.....	345,753	345,753	-	-
Operating transfers out.....	169,926	169,926	-	174,788
Stabilization transfer.....	-	31,016	(31,016)	68,923
Fund deficit elimination.....	-	-	-	2,979,782
Total other financing uses.....	1,095,325	1,160,803	(65,478)	3,880,559
Total expenditures and other financing uses.....	13,800,382	13,591,815	208,567	16,875,067
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(808,382)	335,968	1,144,350	(2,719,635)
Fund balance (deficit) at beginning of year.....	257,463	257,463	-	2,977,098
Fund balance (deficit) at end of year.....	\$ (550,919)	\$ 593,431	\$ 1,144,350	\$ 257,463



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Highway Fund

Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	2001	2000
ASSETS		
Cash and short-term investmentst.....	\$ -	\$ 36,064
Cash with fiscal agent.....	26,061	26,060
Due from other funds.....	270	141
Total assets.....	<u>\$ 26,331</u>	<u>\$ 62,265</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 280,638	\$ -
Accounts payable.....	12,814	21,353
Accrued payroll.....	11,393	10,513
Total liabilities.....	<u>304,845</u>	<u>31,866</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	7,026	4,339
Reserved for debt service.....	26,061	26,060
Unreserved fund balance (deficit):		
Undesignated.....	(311,601)	-
Total fund balance (deficit).....	<u>(278,514)</u>	<u>30,399</u>
Total liabilities and fund balance.....	<u>\$ 26,331</u>	<u>\$ 62,265</u>

Highway Fund

Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 602,200	\$ 564,622	\$ (37,578)	\$ 558,135
Assessments.....	-	10,168	10,168	10,851
Federal grants and reimbursements.....	2,500	562	(1,938)	535
Departmental.....	294,400	328,504	34,104	305,616
Miscellaneous.....	-	2,108	2,108	1,947
Total revenues.....	<u>899,100</u>	<u>905,964</u>	<u>6,864</u>	<u>877,084</u>
Other financing sources:				
Federal reimbursement transfer in	-	1,717	1,717	2,431
Fund deficit elimination.....	-	-	-	388,205
Transfer for transitional escrow.....	-	-	-	50,000
Operating transfer in.....	-	5,700	5,700	5,700
Total other financing sources.....	<u>-</u>	<u>7,417</u>	<u>7,417</u>	<u>446,336</u>
Total revenues and other financing sources.....	<u>899,100</u>	<u>913,381</u>	<u>14,281</u>	<u>1,323,420</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Treasurer and Receiver-General.....	45,689	20,478	25,211	1,143
Attorney General.....	541	541	-	12
District Attorney.....	3,641	3,341	300	-
Sheriff's departments.....	353	313	40	267
Administration and finance.....	11,861	6,435	5,426	6,764
Environmental affairs.....	30,492	28,747	1,745	27,101
Transportation and construction.....	168,253	160,568	7,685	232,416
Public safety.....	228,826	226,015	2,811	210,448
Consumer affairs.....	2,289	2,214	75	2,066
Direct local aid.....	43,472	43,472	-	43,467
Pension.....	68,003	67,760	243	66,970
Debt service:				
Principal retirement.....	74,125	68,971	5,154	198,762
Interest and fiscal charges.....	248,239	243,538	4,701	206,981
Total expenditures.....	<u>925,784</u>	<u>872,393</u>	<u>53,391</u>	<u>996,397</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	41,110	(41,110)	-
Transfer for MBTA contract assistance.....	-	-	-	51,477
Transfer for capital projects funds.....	-	-	-	50,000
Operating transfers out.....	98,808	98,808	-	14,561
Transfer for capital projects due to debt defeasance.....	209,983	209,983	-	-
Total other financing uses.....	<u>308,791</u>	<u>349,901</u>	<u>(41,110)</u>	<u>116,038</u>
Total expenditures and other financing uses.....	<u>1,234,575</u>	<u>1,222,294</u>	<u>12,281</u>	<u>1,112,435</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(335,475)	(308,913)	26,562	210,985
Fund balance (deficit) at beginning of year.....	<u>30,399</u>	<u>30,399</u>	<u>-</u>	<u>(180,586)</u>
Fund balance (deficit) at end of year.....	<u>\$ (305,076)</u>	<u>\$ (278,514)</u>	<u>\$ 26,562</u>	<u>\$ 30,399</u>

Infrastructure Fund (Subfund Of Highway Fund)
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 993,547	\$ 855,005
Cash with fiscal agent.....	<u>26,061</u>	<u>26,060</u>
Total assets.....	<u><u>\$ 1,019,608</u></u>	<u><u>\$ 881,065</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	<u>\$ -</u>	<u>\$ -</u>
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for debt service.....	26,061	26,060
Unreserved fund balance (deficit):		
Undesignated.....	<u>993,547</u>	<u>855,005</u>
Total fund balance (deficit).....	<u>1,019,608</u>	<u>881,065</u>
Total liabilities and fund balance.....	<u><u>\$ 1,019,608</u></u>	<u><u>\$ 881,065</u></u>

Note: The Infrastructure Fund was established by Section 16 of Chapter 121, Acts of 1990 as a subfund of the Highway Fund, and it is a component of, not an addition to, that fund. The entire Highway Fund, including this subfund, is presented in the preceding financial statements labeled Highway Fund.

Infrastructure Fund (Subfund Of Highway Fund)
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 188,763	\$ 188,763	\$ -	\$ 187,208
Miscellaneous.....	-	1,900	1,900	1,847
Total revenues.....	<u>188,763</u>	<u>190,663</u>	<u>1,900</u>	<u>189,055</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>188,763</u>	<u>190,663</u>	<u>1,900</u>	<u>189,055</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Debt service:				
Principal retirement.....	22,290	22,290	-	21,245
Interest and fiscal charges.....	29,830	29,830	-	30,877
Total expenditures.....	<u>52,120</u>	<u>52,120</u>	<u>-</u>	<u>52,122</u>
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	<u>52,120</u>	<u>52,120</u>	<u>-</u>	<u>52,122</u>
Excess (deficiency) of revenues and other financing over expenditures and other financing uses.....	188,763	138,543	1,900	136,933
Fund balance (deficit) at beginning of year.....	881,065	881,065	-	744,132
Fund balance (deficit) at end of year.....	<u>\$ 1,069,828</u>	<u>\$ 1,019,608</u>	<u>\$ 1,900</u>	<u>\$ 881,065</u>

Note: The Infrastructure Fund was established by Section 16 of Chapter 121, Acts of 1990 as a subfund of the Highway Fund, and it is a component of, not an addition to, that fund. The entire Highway Fund, including this subfund, is presented in the preceding financial statements labeled Highway Fund.

Local Aid Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 239,759	\$ 239,349
Due from cities and towns.....	557	495
Total assets.....	<u>\$ 240,316</u>	<u>\$ 239,844</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 202,636	\$ 213,826
Accrued payroll.....	19,457	17,656
Total liabilities.....	<u>222,093</u>	<u>231,482</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	33,240	8,362
Unreserved fund balance (deficit):		
Undesignated.....	(15,017)	-
Total fund balance (deficit).....	<u>18,223</u>	<u>8,362</u>
Total liabilities and fund balance.....	<u>\$ 240,316</u>	<u>\$ 239,844</u>

Local Aid Fund
Statement of Revenues, Expenditures And Changes in Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001

(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 5,254,700	\$ 5,578,947	\$ 324,247	\$ 5,493,959
Departmental.....	6,200	969	(5,231)	878
Miscellaneous.....	-	624	624	350
Total revenues.....	<u>5,260,900</u>	<u>5,580,540</u>	<u>319,640</u>	<u>5,495,187</u>
Other financing sources:				
Lottery distributions.....	808,600	861,132	52,532	836,314
Fund deficit elimination.....	-	-	-	2,591,577
Operating transfer in	-	-	-	1,756
Total other financing sources.....	<u>808,600</u>	<u>861,132</u>	<u>52,532</u>	<u>3,429,647</u>
Total revenues and other financing sources.....	<u>6,069,500</u>	<u>6,441,672</u>	<u>372,172</u>	<u>8,924,834</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Treasurer and Receiver-General.....	5,816	5,549	267	6,125
Auditor of the Commonwealth.....	732	732	-	733
Attorney General.....	967	964	3	804
Ethics Commission.....	774	772	2	714
Office of Campaign and Political Finance.....	545	540	5	444
Sheriff's Departments.....	145	133	12	166
Board of Library Commissioners.....	3,320	3,319	1	2,866
Administration and finance.....	167,104	164,346	2,758	149,640
Environmental affairs.....	33,435	32,035	1,400	31,800
Communities and development.....	37,859	37,501	358	35,618
Health and human services.....	1,650	1,552	98	1,573
Transportation and construction.....	17,105	17,046	59	134,213
Education.....	350,171	300,605	49,566	315,963

Local Aid Fund

Statement of Revenues, Expenditures And Changes in Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
Expenditures (continued):				
Public safety.....	158,420	156,221	2,199	144,065
Economic development.....	800	800	-	800
Elder affairs.....	11,643	11,421	222	11,423
Labor.....	-	-	-	268
Direct local aid.....	4,927,687	4,912,720	14,967	4,629,103
Pension.....	544,009	544,009	-	536,914
Debt service:				
Principal retirement.....	14,717	13,215	1,502	60,487
Interest and fiscal charges.....	67,570	66,281	1,289	71,289
Total expenditures.....	<u>6,344,469</u>	<u>6,269,761</u>	<u>74,708</u>	<u>6,135,008</u>
Other financing uses:				
Transfer for MBTA contract assistance.....	-	-	-	102,953
Operating transfers out.....	18,952	18,952	-	879
Sewer rate relief.....	53,914	53,914	-	50,323
Stabilization transfer.....	-	20,677	(20,677)	45,948
Transfer for capital projects due to debt defeasance.....	68,507	68,507	-	-
Total other financing uses.....	<u>141,373</u>	<u>162,050</u>	<u>(20,677)</u>	<u>200,103</u>
Total expenditures and other financing uses.....	<u>6,485,842</u>	<u>6,431,811</u>	<u>54,031</u>	<u>6,335,111</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(416,342)	9,861	(426,203)	2,589,723
Fund balance (deficit) at beginning of year.....	8,362	8,362	-	(2,581,361)
Fund balance (deficit) at end of year.....	<u>\$ (407,980)</u>	<u>\$ 18,223</u>	<u>\$ (426,203)</u>	<u>\$ 8,362</u>



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Commonwealth Stabilization Fund
Balance Sheet- Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 1,714,990	\$ 1,608,382
Total assets.....	<u>\$ 1,714,990</u>	<u>\$ 1,608,382</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance (deficit):		
Reserved for stabilization.....	1,714,990	1,608,382
Total fund balance (deficit).....	<u>1,714,990</u>	<u>1,608,382</u>
Total liabilities and fund balance.....	<u>\$ 1,714,990</u>	<u>\$ 1,608,382</u>

Commonwealth Stabilization Fund
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Miscellaneous.....	\$ 65,000	\$ 80,845	\$ 15,845	\$ 79,788
Total revenues.....	65,000	80,845	15,845	79,788
Other financing sources:				
Transfer for transitional escrow.....	-	-	-	25,200
Stabilization transfer.....	-	51,693	51,693	114,871
Total other financing sources.....	-	51,693	51,693	140,071
Total revenues and other financing sources.....	65,000	132,538	67,538	219,859
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Transfer for tax reduction.....	-	25,930	(25,930)	-
Total other financing uses.....	-	25,930	(25,930)	-
Total expenditures and other financing uses.....	-	25,930	(25,930)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	65,000	106,608	41,608	219,859
Fund balance (deficit) at beginning of year.....	1,608,382	1,608,382	-	1,388,523
Fund balance (deficit) at end of year.....	<u>\$ 1,673,382</u>	<u>\$ 1,714,990</u>	<u>\$ 41,608</u>	<u>\$ 1,608,382</u>

Tax Reduction Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 33,565	\$ 7,203
Total assets.....	<u>\$ 33,565</u>	<u>\$ 7,203</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved for:		
Tax reduction.....	33,565	7,203
Total fund balance (deficit)	<u>33,565</u>	<u>7,203</u>
Total liabilities and fund balance.....	<u>\$ 33,565</u>	<u>\$ 7,203</u>

Tax Reduction Fund
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Miscellaneous.....	\$ 380	\$ 432	\$ 52	\$ 385
Total revenues.....	380	432	52	385
Other financing sources:				
Transfer for tax reduction.....	-	25,930	25,930	-
Total other financing sources.....	-	25,930	25,930	-
Total revenues and other financing sources.....	380	26,362	25,982	385
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Transfer for tax reduction.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	380	26,362	25,982	385
Fund balance (deficit) at beginning of year.....	7,203	7,203	-	6,818
Fund balance (deficit) at end of year.....	\$ 7,583	\$ 33,565	\$ 25,982	\$ 7,203

Intragovernmental Service Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 12,551	\$ 13,023
Total assets.....	<u>\$ 12,551</u>	<u>\$ 13,023</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 11,585	\$ 12,129
Accrued payroll.....	<u>527</u>	<u>233</u>
Total liabilities.....	<u>12,112</u>	<u>12,362</u>
Fund balance:		
Reserved fund balance (deficit):		
Reserved for continuing appropriations.....	<u>439</u>	<u>661</u>
Total fund balance (deficit)	<u>439</u>	<u>661</u>
Total liabilities and fund balance.....	<u>\$ 12,551</u>	<u>\$ 13,023</u>

Intragovernmental Service Fund
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ -	\$ 103,811	\$ 103,811	\$ 98,169
Total revenues.....	-	103,811	103,811	98,169
Other financing sources:				
Operating transfers in.....	-	11,002	11,002	7,837
Total other financing sources.....	-	11,002	11,002	7,837
Total revenues and other financing sources.....	-	114,813	114,813	106,006
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Secretary of the Commonwealth.....	125	125	-	125
Administration and finance.....	92,179	88,709	3,470	83,878
Environmental affairs.....	421	405	16	351
Health and human services.....	8,317	8,279	38	8,067
Transportation and construction.....	300	298	2	254
Public safety.....	12,704	12,616	88	8,028
Total expenditures.....	114,046	110,432	3,614	100,703
Other financing uses:				
Fringe benefit cost assessment.....	-	1,678	(1,678)	1,088
Operating transfers out.....	2,925	2,925	-	3,554
Total other financing uses.....	2,925	4,603	(1,678)	4,642
Total expenditures and other financing uses.....	116,971	115,035	1,936	105,345
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(116,971)	(222)	116,749	661
Fund balance (deficit) at beginning of year.....	661	661	-	-
Fund balance (deficit) at end of year.....	<u>\$ (116,310)</u>	<u>\$ 439</u>	<u>\$ 116,749</u>	<u>\$ 661</u>

Revenue Maximization Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 5,780	\$ 5,588
Total assets.....	<u>\$ 5,780</u>	<u>\$ 5,588</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,877	\$ 1,057
Total liabilities.....	<u>1,877</u>	<u>1,057</u>
Fund balance:		
Reserved fund balance (deficit):		
Reserved for continuing appropriations.....	3,903	4,531
Total fund balance (deficit)	<u>3,903</u>	<u>4,531</u>
Total liabilities and fund balance.....	<u>\$ 5,780</u>	<u>\$ 5,588</u>

Revenue Maximization Fund
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001

(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Federal grants and reimbursements.....	\$ -	\$ 41,374	\$ 41,374	\$ 22,600
Departmental.....	4,096	1,661	(2,435)	489
Total revenues.....	4,096	43,035	38,939	23,089
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	4,096	43,035	38,939	23,089
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Comptroller.....	507	506	1	470
Administration and finance.....	5,027	1,577	3,450	72
Environmental affairs.....	6	4	2	6
Health and human services.....	3,259	2,845	414	4,099
Transportation and construction.....	96	63	33	13
Higher education.....	19	19	-	25
Public safety.....	-	-	-	1,300
Elder affairs.....	198	189	9	-
Total expenditures.....	9,112	5,203	3,909	5,985
Other financing uses:				
Fringe benefit cost assessment.....	-	109	(109)	83
Operating transfers out.....	38,351	38,351	-	19,464
Total other financing uses.....	38,351	38,460	(109)	19,547
Total expenditures and other financing uses.....	47,463	43,663	3,800	25,532
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(43,367)	(628)	42,739	(2,443)
Fund balance (deficit) at beginning of year.....	4,531	4,531	-	6,974
Fund balance (deficit) at end of year.....	\$ (38,836)	\$ 3,903	\$ 42,739	\$ 4,531

Collective Bargaining Reserve Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ 14
Total assets.....	<u>\$ -</u>	<u>\$ 14</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ 4
Accrued payroll.....	<u>-</u>	<u>10</u>
Total liabilities.....	<u>-</u>	<u>14</u>
Fund balance:		
Unreserved fund balance:		
Undesignated.....	<u>-</u>	<u>-</u>
Total fund balance (deficit)	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 14</u>

Collective Bargaining Reserve Fund
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Collective bargaining reserve.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	-	-	-	-
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Judiciary.....	-	-	-	13,154
Administration and finance.....	-	-	-	1,239
Environmental affairs.....	-	-	-	593
Communities and development.....	-	-	-	3
Health and human services.....	-	-	-	11,262
Transportation & Construction.....	-	-	-	209
Education.....	-	-	-	47
Higher education.....	-	-	-	17,125
Public safety.....	-	-	-	3,771
Consumer affairs.....	-	-	-	15
Labor.....	-	-	-	17
Total expenditures.....	-	-	-	47,435
Other financing uses:				
Collective bargaining reserve	-	-	-	54,168
Total other financing uses.....	-	-	-	54,168
Total expenditures and other financing uses.....	-	-	-	101,603
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-	-	(101,603)
Fund balance (deficit) at beginning of year.....	-	-	-	101,603
Fund balance (deficit) at end of year.....	\$ -	\$ -	\$ -	\$ -

Transitional Escrow Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 579,215	\$ -
Total assets.....	<u>\$ 579,215</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved for:		
Transitional escrow.....	579,215	-
Total fund balance (deficit)	<u>579,215</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 579,215</u>	<u>\$ -</u>

Transitional Escrow Fund
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Miscellaneous.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Transfers for transitional escrow.....	-	579,215	579,215	-
Total other financing sources.....	-	579,215	579,215	-
Total revenues and other financing sources.....	-	579,215	579,215	-
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Transfers for transitional escrow.....	-	-	-	92,000
Total other financing uses.....	-	-	-	92,000
Total expenditures and other financing uses.....	-	-	-	92,000
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	579,215	579,215	(92,000)
Fund balance (deficit) at beginning of year.....	-	-	-	92,000
Fund balance (deficit) at end of year.....	\$ -	\$ 579,215	\$ 579,215	\$ -

Natural Heritage And Endangered Species Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ 2
Total assets.....	<u>\$ -</u>	<u>\$ 2</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 9	\$ -
Total liabilities.....	<u>9</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(9)	2
Total fund balance (deficit).....	<u>(9)</u>	<u>2</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 2</u>

Natural Heritage And Endangered Species Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Federal grants and reimbursements.....	\$ 50	\$ 97	\$ 47	\$ 49
Departmental.....	28	28	-	23
Miscellaneous.....	183	188	5	200
Total revenues.....	<u>261</u>	<u>313</u>	<u>52</u>	<u>272</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>261</u>	<u>313</u>	<u>52</u>	<u>272</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Environmental affairs.....	280	272	8	269
Total expenditures.....	<u>280</u>	<u>272</u>	<u>8</u>	<u>269</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	52	(52)	37
Total other financing uses.....	-	52	(52)	37
Total expenditures and other financing uses.....	<u>280</u>	<u>324</u>	<u>(44)</u>	<u>306</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(19)	(11)	8	(34)
Fund balance (deficit) at beginning of year.....	2	2	-	36
Fund balance (deficit) at end of year.....	<u>\$ (17)</u>	<u>\$ (9)</u>	<u>\$ 8</u>	<u>\$ 2</u>

Mosquito And Greenhead Fly Control Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 1,696	\$ 508
Accounts payable.....	468	364
Accrued payroll.....	141	129
Total liabilities.....	<u>2,305</u>	<u>1,001</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	45	468
Unreserved fund balance (deficit):		
Undesignated.....	(2,350)	(1,469)
Total fund balance (deficit).....	<u>(2,305)</u>	<u>(1,001)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Mosquito And Greenhead Fly Control Fund
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Assessments.....	\$ 5,386	\$ 5,355	\$ (31)	\$ 5,803
Miscellaneous.....	-	582	582	484
Total revenues.....	<u>5,386</u>	<u>5,937</u>	<u>551</u>	<u>6,287</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>5,386</u>	<u>5,937</u>	<u>551</u>	<u>6,287</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and finance.....	37	-	37	13
Environmental affairs.....	6,455	6,311	144	5,421
Total expenditures.....	<u>6,492</u>	<u>6,311</u>	<u>181</u>	<u>5,434</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	923	(923)	-
Operating transfers out.....	7	7	-	6
Total other financing uses.....	<u>7</u>	<u>930</u>	<u>(923)</u>	<u>6</u>
Total expenditures and other financing uses.....	<u>6,499</u>	<u>7,241</u>	<u>(742)</u>	<u>5,440</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(1,113)	(1,304)	(191)	847
Fund balance (deficit) at beginning of year.....	<u>(1,001)</u>	<u>(1,001)</u>	<u>-</u>	<u>(1,848)</u>
Fund balance (deficit) at end of year.....	<u>\$ (2,114)</u>	<u>\$ (2,305)</u>	<u>\$ (191)</u>	<u>\$ (1,001)</u>

Inland Fisheries And Game Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 3,935	\$ 5,922
Total assets.....	<u>\$ 3,935</u>	<u>\$ 5,922</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 332	\$ 308
Accrued payroll.....	<u>222</u>	<u>223</u>
Total liabilities.....	<u>554</u>	<u>531</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>3,381</u>	<u>5,391</u>
Total fund balance (deficit).....	<u>3,381</u>	<u>5,391</u>
Total liabilities and fund balance.....	<u>\$ 3,935</u>	<u>\$ 5,922</u>

Inland Fisheries And Game Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 932	\$ 867	\$ (65)	\$ 860
Federal grants and reimbursements.....	2,225	1,363	(862)	4,144
Departmental.....	7,346	6,643	(703)	7,321
Miscellaneous.....	-	278	278	291
Total revenues.....	<u>10,503</u>	<u>9,151</u>	<u>(1,352)</u>	<u>12,616</u>
Other financing sources:				
Operating transfers in.....	100	90	(10)	94
Total other financing sources.....	<u>100</u>	<u>90</u>	<u>(10)</u>	<u>94</u>
Total revenues and other financing sources.....	<u>10,603</u>	<u>9,241</u>	<u>(1,362)</u>	<u>12,710</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Attorney General.....	-	-	-	4
Environmental affairs.....	9,595	9,130	465	9,096
Pension.....	922	922	-	910
Total expenditures.....	<u>10,517</u>	<u>10,052</u>	<u>465</u>	<u>10,010</u>
Other financing uses				
Fringe benefit cost assessment.....	-	1,188	(1,188)	378
Operating transfers out.....	11	11	-	11
Total other financing uses.....	<u>11</u>	<u>1,199</u>	<u>(1,188)</u>	<u>389</u>
Total expenditures and other financing uses.....	<u>10,528</u>	<u>11,251</u>	<u>(723)</u>	<u>10,399</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	75	(2,010)	(2,085)	2,311
Fund balance (deficit) at beginning of year.....	<u>5,391</u>	<u>5,391</u>	<u>-</u>	<u>3,080</u>
Fund balance (deficit) at end of year.....	<u>\$ 5,466</u>	<u>\$ 3,381</u>	<u>\$ (2,085)</u>	<u>\$ 5,391</u>

Environmental Challenge Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 2,773	\$ 5,064
Accounts payable.....	11	18
Accrued payroll.....	10	5
Total liabilities.....	<u>2,794</u>	<u>5,087</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(2,794)	(5,087)
Total fund balance (deficit).....	<u>(2,794)</u>	<u>(5,087)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Environmental Challenge Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 5,952	\$ 10,626	\$ 4,674	\$ 6,811
Total revenues.....	5,952	10,626	4,674	6,811
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	5,952	10,626	4,674	6,811
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Environmental affairs.....	6,693	6,624	69	6,366
Total expenditures.....	6,693	6,624	69	6,366
Other financing uses:				
Fringe benefit cost assessment.....	-	1,709	(1,709)	1,356
Total other financing uses.....	-	1,709	(1,709)	1,356
Total expenditures and other financing uses.....	6,693	8,333	(1,640)	7,722
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(741)	2,293	3,034	(911)
Fund balance (deficit) at beginning of year.....	(5,087)	(5,087)	-	(4,176)
Fund balance (deficit) at end of year.....	<u>\$ (5,828)</u>	<u>\$ (2,794)</u>	<u>\$ 3,034</u>	<u>\$ (5,087)</u>

Toxic Use Reduction Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 7,160	\$ 5,545
Accounts payable.....	418	304
Accrued payroll.....	<u>108</u>	<u>100</u>
Total liabilities.....	<u>7,686</u>	<u>5,949</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(7,686)</u>	<u>(5,949)</u>
Total fund balance (deficit).....	<u>(7,686)</u>	<u>(5,949)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Toxic Use Reduction Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001 Budget</u>	<u>2001 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2000 Actual</u>
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 3,785	\$ 3,699	\$ (86)	\$ 3,871
Total revenues.....	<u>3,785</u>	<u>3,699</u>	<u>(86)</u>	<u>3,871</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>3,785</u>	<u>3,699</u>	<u>(86)</u>	<u>3,871</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Environmental affairs.....	2,869	2,778	91	2,735
Higher education.....	1,809	1,784	25	1,776
Total expenditures.....	<u>4,678</u>	<u>4,562</u>	<u>116</u>	<u>4,511</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	870	(870)	693
Operating transfers out.....	4	4	-	8
Total other financing uses.....	<u>4</u>	<u>874</u>	<u>(870)</u>	<u>701</u>
Total expenditures and other financing uses.....	<u>4,682</u>	<u>5,436</u>	<u>(754)</u>	<u>5,212</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(897)	(1,737)	(840)	(1,341)
Fund balance (deficit) at beginning of year.....	(5,949)	(5,949)	-	(4,608)
Fund balance (deficit) at end of year.....	<u>\$ (6,846)</u>	<u>\$ (7,686)</u>	<u>\$ (840)</u>	<u>\$ (5,949)</u>

Clean Environment Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 22,775	\$ 19,052
Total assets.....	<u>\$ 22,775</u>	<u>\$ 19,052</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 3,326	\$ 3,928
Accrued payroll.....	<u>566</u>	<u>570</u>
Total liabilities.....	<u>3,892</u>	<u>4,498</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	-	11
Unreserved fund balance (deficit):		
Undesignated.....	<u>18,883</u>	<u>14,543</u>
Total fund balance (deficit).....	<u>18,883</u>	<u>14,554</u>
Total liabilities and fund balance.....	<u>\$ 22,775</u>	<u>\$ 19,052</u>

Clean Environment Fund
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Miscellaneous.....	\$ 27,671	\$ 31,422	\$ 3,751	\$ 29,691
Total revenues.....	<u>27,671</u>	<u>31,422</u>	<u>3,751</u>	<u>29,691</u>
Other financing sources:				
Other sources.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>27,671</u>	<u>31,422</u>	<u>3,751</u>	<u>29,691</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and finance.....	188	175	13	213
Environmental affairs.....	23,453	23,200	253	23,303
Health & human services.....	11	10	1	-
Transportation and construction.....	49	44	5	49
Total expenditures.....	<u>23,701</u>	<u>23,429</u>	<u>272</u>	<u>23,565</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	3,658	(3,658)	2,902
Operating transfers out.....	6	6	-	3
Total other financing uses.....	6	3,664	(3,658)	2,905
Total expenditures and other financing uses.....	<u>23,707</u>	<u>27,093</u>	<u>(3,386)</u>	<u>26,470</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	3,964	4,329	365	3,221
Fund balance (deficit) at beginning of year.....	14,554	14,554	-	11,333
Fund balance (deficit) at end of year.....	<u>\$ 18,518</u>	<u>\$ 18,883</u>	<u>\$ 365</u>	<u>\$ 14,554</u>

Environmental Permitting And Compliance Assurance Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 43,153	\$ 34,471
Accounts payable.....	<u>2</u>	<u>3</u>
Total liabilities.....	<u>43,155</u>	<u>34,474</u>
Fund balance:		
Reserved fund balance:		
reserved for continuing appropriations.....	-	18
Unreserved fund balance (deficit):		
Undesignated.....	<u>(43,155)</u>	<u>(34,492)</u>
Total fund balance (deficit).....	<u>(43,155)</u>	<u>(34,474)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Environmental Permitting And Compliance Assurance Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 5,906	\$ 5,406	\$ (500)	\$ 5,696
Miscellaneous.....	-	238	238	179
Total revenues.....	<u>5,906</u>	<u>5,644</u>	<u>(262)</u>	<u>5,875</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>5,906</u>	<u>5,644</u>	<u>(262)</u>	<u>5,875</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Environmental affairs.....	11,757	11,710	47	11,346
Health & human services.....	18	17	1	-
Total expenditures.....	<u>11,775</u>	<u>11,727</u>	<u>48</u>	<u>11,346</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	2,598	(2,598)	2,056
Total other financing uses.....	-	2,598	(2,598)	2,056
Total expenditures and other financing uses.....	<u>11,775</u>	<u>14,325</u>	<u>(2,550)</u>	<u>13,402</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(5,869)	(8,681)	(2,812)	(7,527)
Fund balance (deficit) at beginning of year.....	(34,474)	(34,474)	-	(26,947)
Fund balance (deficit) at end of year.....	<u>\$ (40,343)</u>	<u>\$ (43,155)</u>	<u>\$ (2,812)</u>	<u>\$ (34,474)</u>

Underground Storage Tank Petroleum Product Cleanup Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ 6,252
Total assets.....	<u>\$ -</u>	<u>\$ 6,252</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 12,505	\$ -
Accounts payable.....	1,388	5,547
Accrued payroll.....	<u>27</u>	<u>27</u>
Total liabilities.....	<u>13,920</u>	<u>5,574</u>
Fund equity:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(13,920)</u>	<u>678</u>
Total fund balance (deficit).....	<u>(13,920)</u>	<u>678</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 6,252</u>

Underground Storage Tank Petroleum Product Cleanup Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 18,619	\$ 16,617	\$ (2,002)	\$ 17,331
Miscellaneous.....	-	150	150	404
Total revenues.....	<u>18,619</u>	<u>16,767</u>	<u>(1,852)</u>	<u>17,735</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>18,619</u>	<u>16,767</u>	<u>(1,852)</u>	<u>17,735</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and finance.....	31,812	30,156	1,656	19,521
Environmental affairs.....	666	662	4	637
Public safety.....	166	166	-	163
Total expenditures.....	<u>32,644</u>	<u>30,984</u>	<u>1,660</u>	<u>20,321</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	379	(379)	297
Operating transfers out.....	2	2	-	2
Total other financing uses.....	<u>2</u>	<u>381</u>	<u>(379)</u>	<u>299</u>
Total expenditures and other financing uses.....	<u>32,646</u>	<u>31,365</u>	<u>1,281</u>	<u>20,620</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(14,027)	(14,598)	(571)	(2,885)
Fund balance (deficit) at beginning of year.....	678	678	-	3,563
Fund balance (deficit) at end of year.....	<u>\$ (13,349)</u>	<u>\$ (13,920)</u>	<u>\$ (571)</u>	<u>\$ 678</u>

Environmental Law Enforcement Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency cash and short-term investments.....	\$ 3,403	\$ 2,402
Accounts payable.....	105	218
Accrued payroll.....	<u>367</u>	<u>294</u>
Total liabilities.....	<u>3,875</u>	<u>2,914</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	-	13
Unreserved fund balance (deficit):		
Undesignated.....	<u>(3,875)</u>	<u>(2,927)</u>
Total fund balance (deficit)	<u>(3,875)</u>	<u>(2,914)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Environmental Law Enforcement Fund
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 1,864	\$ 1,734	\$ (130)	\$ 1,719
Departmental.....	3,648	3,587	(61)	3,603
Miscellaneous.....	-	-	-	9
Total revenues.....	<u>5,512</u>	<u>5,321</u>	<u>(191)</u>	<u>5,331</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>5,512</u>	<u>5,321</u>	<u>(191)</u>	<u>5,331</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and finance.....	1	-	1	-
Environmental affairs.....	5,196	5,176	20	5,122
Transportation and construction.....	2	-	2	-
Total expenditures.....	<u>5,198</u>	<u>5,176</u>	<u>22</u>	<u>5,122</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	1,090	(1,090)	1,236
Operating transfers out.....	16	16	-	15
Total other financing uses.....	<u>16</u>	<u>1,106</u>	<u>(1,090)</u>	<u>1,251</u>
Total expenditures and other financing uses.....	<u>5,214</u>	<u>6,282</u>	<u>(1,068)</u>	<u>6,373</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	298	(961)	(1,259)	(1,042)
Fund balance (deficit) at beginning of year.....	<u>(2,914)</u>	<u>(2,914)</u>	<u>-</u>	<u>(1,872)</u>
Fund balance (deficit) at end of year.....	<u>\$ (2,616)</u>	<u>\$ (3,875)</u>	<u>\$ (1,259)</u>	<u>\$ (2,914)</u>

Public Access Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 194	\$ 4
Accounts payable.....	75	256
Accrued payroll.....	<u>27</u>	<u>23</u>
Total liabilities.....	<u>296</u>	<u>283</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	838	619
Unreserved fund balance (deficit):		
Undesignated.....	<u>(1,134)</u>	<u>(902)</u>
Total fund balance (deficit).....	<u>(296)</u>	<u>(283)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Public Access Fund
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 932	\$ 867	\$ (65)	\$ 860
Federal grants and reimbursements.....	501	-	(501)	-
Departmental.....	-	11	11	-
Miscellaneous.....	-	1	1	-
Total revenues.....	<u>1,433</u>	<u>879</u>	<u>(554)</u>	<u>860</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>1,433</u>	<u>879</u>	<u>(554)</u>	<u>860</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Environmental affairs.....	1,590	747	843	732
Total expenditures.....	<u>1,590</u>	<u>747</u>	<u>843</u>	<u>732</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	144	(144)	112
Operating transfers out.....	1	1	-	1
Total other financing uses.....	1	145	(144)	113
Total expenditures and other financing uses.....	<u>1,591</u>	<u>892</u>	<u>699</u>	<u>845</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(158)	(13)	145	15
Fund balance (deficit) at beginning of year.....	(283)	(283)	-	(298)
Fund balance (deficit) at end of year.....	<u>\$ (441)</u>	<u>\$ (296)</u>	<u>\$ 145</u>	<u>\$ (283)</u>

Harbors And Inland Waters Maintenance Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 5,928	\$ 3,118
Accounts payable.....	1,642	1,389
Accrued payroll.....	<u>29</u>	<u>30</u>
Total liabilities.....	<u>7,599</u>	<u>4,537</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	1,448	1,265
Unreserved fund balance (deficit):		
Undesignated.....	<u>(9,047)</u>	<u>(5,802)</u>
Total fund balance (deficit).....	<u>(7,599)</u>	<u>(4,537)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Harbors And Inland Waters Maintenance Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001 Budget</u>	<u>2001 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2000 Actual</u>
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 3,108	\$ 2,889	\$ (219)	\$ 2,865
Miscellaneous.....	-	15	15	51
Total revenues.....	<u>3,108</u>	<u>2,904</u>	<u>(204)</u>	<u>2,916</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>3,108</u>	<u>2,904</u>	<u>(204)</u>	<u>2,916</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Environmental affairs.....	7,216	5,769	1,447	5,189
Total expenditures.....	<u>7,216</u>	<u>5,769</u>	<u>1,447</u>	<u>5,189</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	195	(195)	142
Operating transfers out.....	2	2	-	1
Total other financing uses.....	<u>2</u>	<u>197</u>	<u>(195)</u>	<u>143</u>
Total expenditures and other financing uses.....	<u>7,218</u>	<u>5,966</u>	<u>1,252</u>	<u>5,332</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(4,110)	(3,062)	1,048	(2,416)
Fund balance (deficit) at beginning of year.....	<u>(4,537)</u>	<u>(4,537)</u>	<u>-</u>	<u>(2,121)</u>
Fund balance (deficit) at end of year.....	<u>\$ (8,647)</u>	<u>\$ (7,599)</u>	<u>\$ 1,048</u>	<u>\$ (4,537)</u>

Marine Fisheries Fund
Balance Sheet- Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 4,697	\$ 3,976
Accounts payable.....	490	246
Accrued payroll.....	<u>143</u>	<u>137</u>
Total liabilities.....	<u>5,330</u>	<u>4,359</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(5,330)</u>	<u>(4,359)</u>
Total fund balance (deficit).....	<u>(5,330)</u>	<u>(4,359)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Marine Fisheries Fund
Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001 Budget</u>	<u>2001 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2000 Actual</u>
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 1,864	\$ 1,734	\$ (130)	\$ 1,719
Federal grants and reimbursements.....	1,183	974	(209)	884
Departmental.....	2,021	2,558	537	2,836
Miscellaneous.....	<u>-</u>	<u>1</u>	<u>1</u>	<u>3</u>
Total revenues.....	<u>5,068</u>	<u>5,267</u>	<u>199</u>	<u>5,442</u>
Other financing sources:				
Operating transfers in.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>5,068</u>	<u>5,267</u>	<u>199</u>	<u>5,442</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Environmental affairs.....	<u>5,513</u>	<u>5,171</u>	<u>342</u>	<u>5,117</u>
Total expenditures.....	<u>5,513</u>	<u>5,171</u>	<u>342</u>	<u>5,117</u>
Other financing uses:				
Fringe benefit cost assessment.....	<u>-</u>	<u>1,060</u>	<u>(1,060)</u>	<u>863</u>
Operating transfers out.....	<u>7</u>	<u>7</u>	<u>-</u>	<u>7</u>
Total other financing uses.....	<u>7</u>	<u>1,067</u>	<u>(1,060)</u>	<u>870</u>
Total expenditures and other financing uses.....	<u>5,520</u>	<u>6,238</u>	<u>(718)</u>	<u>5,987</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(452)	(971)	(519)	(545)
Fund balance (deficit) at beginning of year.....	<u>(4,359)</u>	<u>(4,359)</u>	<u>-</u>	<u>(3,814)</u>
Fund balance (deficit) at end of year.....	<u>\$ (4,811)</u>	<u>\$ (5,330)</u>	<u>\$ (519)</u>	<u>\$ (4,359)</u>

Watershed Management Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Receivables, net of allowance for uncollectibles:		
Other receivables.....	\$ 3,454	\$ 7,686
Total assets.....	<u>\$ 3,454</u>	<u>\$ 7,686</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 6,380	\$ 6,761
Accounts payable.....	1,102	593
Accrued payroll.....	303	284
Total liabilities.....	<u>7,785</u>	<u>7,638</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(4,331)</u>	<u>48</u>
Total fund balance (deficit).....	<u>(4,331)</u>	<u>48</u>
Total liabilities and fund balance.....	<u>\$ 3,454</u>	<u>\$ 7,686</u>

Watershed Management Fund
Statement of Revenues, Expenditures And Change In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Assessments.....	\$ 15,891	\$ 6,064	\$ (9,827)	\$ 14,099
Departmental.....	322	1,140	818	1,310
Miscellaneous.....	-	457	457	523
Total revenues.....	<u>16,213</u>	<u>7,661</u>	<u>(8,552)</u>	<u>15,932</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>16,213</u>	<u>7,661</u>	<u>(8,552)</u>	<u>15,932</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and finance.....	-	-	-	8
Environmental affairs.....	10,746	10,028	718	10,135
Total expenditures.....	<u>10,746</u>	<u>10,028</u>	<u>718</u>	<u>10,143</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	1,996	(1,996)	1,583
Operating transfers out.....	16	16	-	4,450
Total other financing uses.....	<u>16</u>	<u>2,012</u>	<u>(1,996)</u>	<u>6,033</u>
Total expenditures and other financing uses.....	<u>10,762</u>	<u>12,040</u>	<u>(1,278)</u>	<u>16,176</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	5,451	(4,379)	(9,830)	(244)
Fund balance (deficit) at beginning of year.....	48	48	-	292
Fund balance (deficit) at end of year.....	<u>\$ 5,499</u>	<u>\$ (4,331)</u>	<u>\$ (9,830)</u>	<u>\$ 48</u>

Low Level Radioactive Waste Management Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 485	\$ 490
Accounts payable.....	15	6
Accrued payroll.....	<u>5</u>	<u>5</u>
Total liabilities.....	<u>505</u>	<u>501</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(505)</u>	<u>(501)</u>
Total fund balance (deficit).....	<u>(505)</u>	<u>(501)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Low Level Radioactive Waste Management Fund
Statements Of Revenues, Expenditures And Changes In Fund Equity - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Assessments.....	\$ 199	\$ 251	\$ 52	\$ 11
Deptamental.....	-	1	1	-
Total revenues.....	<u>199</u>	<u>252</u>	<u>53</u>	<u>11</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>199</u>	<u>252</u>	<u>53</u>	<u>11</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Environmental affairs.....	224	215	9	176
Total expenditures.....	<u>224</u>	<u>215</u>	<u>9</u>	<u>176</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	41	(41)	29
Total other financing uses.....	-	41	(41)	29
Total expenditures and other financing uses.....	<u>224</u>	<u>256</u>	<u>(32)</u>	<u>205</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(25)	(4)	21	(194)
Fund balance (deficit) at beginning of year.....	<u>(501)</u>	<u>(501)</u>	<u>-</u>	<u>(307)</u>
Fund balance (deficit) at end of year.....	<u>\$ (526)</u>	<u>\$ (505)</u>	<u>\$ 21</u>	<u>\$ (501)</u>

Asbestos Cost Recovery Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 5,784	\$ 3,172
Total assets.....	<u>\$ 5,784</u>	<u>\$ 3,172</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	2,140	1,366
Unreserved fund balance (deficit):		
Undesignated.....	<u>3,644</u>	<u>1,806</u>
Total fund balance (deficit).....	<u>5,784</u>	<u>3,172</u>
Total liabilities and fund balance.....	<u>\$ 5,784</u>	<u>\$ 3,172</u>

Asbestos Cost Recovery Fund
Statement Of Revenues, Expenditures And Change In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Miscellaneous.....	\$ -	\$ 2,763	\$ 2,763	\$ 412
Total revenues.....	-	2,763	2,763	412
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	-	2,763	2,763	412
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and finance.....	2,291	151	2,140	1,493
Total expenditures.....	2,291	151	2,140	1,493
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	2,291	151	2,140	1,493
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(2,291)	2,612	4,903	(1,081)
Fund balance (deficit) at beginning of year.....	3,172	3,172	-	4,253
Fund balance (deficit) at end of year.....	\$ 881	\$ 5,784	\$ 4,903	\$ 3,172

Clean Air Act Compliance Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 242	\$ 365
Accounts payable.....	719	56
Accrued payroll.....	<u>87</u>	<u>75</u>
Total liabilities.....	<u>1,048</u>	<u>496</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(1,048)</u>	<u>(496)</u>
Total fund balance (deficit).....	<u>(1,048)</u>	<u>(496)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Clean Air Act Compliance Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 4,010	\$ 3,154	\$ (856)	\$ 1,819
Total revenues.....	4,010	3,154	(856)	1,819
Other financing sources:				
Operating transfers in.....	-	465	465	418
Total other financing sources.....	-	465	465	418
Total revenues and other financing sources.....	4,010	3,619	(391)	2,237
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Attorney General	55	19	36	-
Environmental affairs.....	3,550	3,406	144	2,160
Health & human services.....	60	53	7	-
Total expenditures.....	3,665	3,478	180	2,160
Other financing uses:				
Fringe benefit cost assessment.....	-	693	(693)	469
Total other financing uses.....	-	693	(693)	469
Total expenditures and other financing uses.....	3,665	4,171	(513)	2,629
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	345	(552)	(897)	(392)
Fund balance (deficit) at beginning of year.....	(496)	(496)	-	(104)
Fund balance (deficit) at end of year.....	\$ (151)	\$ (1,048)	\$ (897)	\$ (496)

Solid Waste Disposal Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 3	\$ 2
Total assets.....	<u>\$ 3</u>	<u>\$ 2</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>3</u>	<u>2</u>
Total fund balance (deficit).....	<u>3</u>	<u>2</u>
Total liabilities and fund balance.....	<u>\$ 3</u>	<u>\$ 2</u>

Solid Waste Disposal Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001 Budget</u>	<u>2001 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2000 Actual</u>
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ -	\$ 1	\$ 1	\$ -
Total revenues.....	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Other financing sources:				
Operating transfers in.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Environmental affairs.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses:				
Operating transfers out.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	1	-	-
Fund balance (deficit) at beginning of year.....	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>
Fund balance (deficit) at end of year.....	<u>\$ 2</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 2</u>

Second Century Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	2001	2000
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 2,471	\$ 3,586
Accounts payable.....	<u>1,123</u>	<u>1,257</u>
Total liabilities.....	<u>3,594</u>	<u>4,843</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(3,594)</u>	<u>(4,843)</u>
Total fund balance (deficit).....	<u>(3,594)</u>	<u>(4,843)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Second Century Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 3,385	\$ 2,836	\$ (549)	\$ 1,529
Miscellaneous.....	-	-	-	20
Total revenues.....	3,385	2,836	(549)	1,549
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	3,385	2,836	(549)	1,549
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Treasurer and Receiver-General.....	-	-	-	6
Environmental affairs.....	2,425	1,587	838	2,262
Total expenditures.....	2,425	1,587	838	2,268
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	2,425	1,587	838	2,268
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	960	1,249	289	(719)
Fund balance (deficit) at beginning of year.....	(4,843)	(4,843)	-	(4,124)
Fund balance (deficit) at end of year.....	<u>\$ (3,883)</u>	<u>\$ (3,594)</u>	<u>\$ 289</u>	<u>\$ (4,843)</u>

Safe Drinking Water Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 208	\$ 262
Total assets.....	<u>\$ 208</u>	<u>\$ 262</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 72	\$ 48
Accrued payroll.....	<u>59</u>	<u>58</u>
Total liabilities.....	<u>131</u>	<u>106</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>77</u>	<u>156</u>
Total fund balance (deficit).....	<u>77</u>	<u>156</u>
Total liabilities and fund balance.....	<u>\$ 208</u>	<u>\$ 262</u>

Safe Drinking Water Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Assessments.....	\$ 2,175	\$ 2,138	\$ (37)	\$ 2,201
Total revenues.....	2,175	2,138	(37)	2,201
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	2,175	2,138	(37)	2,201
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Attorney General.....	106	106	-	94
Environmental affairs.....	1,738	1,655	83	1,651
Total expenditures.....	1,844	1,761	83	1,745
Other financing uses:				
Fringe benefit cost assessment.....	-	456	(456)	378
Total other financing uses.....	-	456	(456)	378
Total expenditures and other financing uses.....	1,844	2,217	(373)	2,123
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	331	(79)	(410)	78
Fund balance (deficit) at beginning of year.....	156	156	-	78
Fu Fund balance (deficit) at end of year.....	\$ 487	\$ 77	\$ (410)	\$ 156

Rate Payer Parity Trust Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 31,262	\$ -
Total assets.....	<u>\$ 31,262</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	31,262	-
Total fund balance (deficit).....	<u>31,262</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 31,262</u>	<u>\$ -</u>

Rate Payer Parity Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER SOURCES				
Revenues:				
Taxes.....	\$ -	\$ 31,262	\$ 31,262	\$ -
Total revenues.....	-	31,262	31,262	-
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other sources.....	-	31,262	31,262	-
EXPENDITURES AND OTHER USES				
Expenditures:				
Administration and finance.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Fringe benefit cost assessment.....	-	-	-	-
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other uses.....	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses.....	-	31,262	31,262	-
Fund balance (deficit) at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ -	\$ 31,262	\$ 31,262	\$ -

Child Support Penalty Fee Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ 1,069
Total assets.....	<u>\$ -</u>	<u>\$ 1,069</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 87	\$ -
Total liabilities.....	<u>87</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(87)	1,069
Total fund balance (deficit).....	<u>(87)</u>	<u>1,069</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ 1,069</u>

Child Support Penalty Fee Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 500	\$ 661	\$ 161	\$ 563
Total revenues.....	<u>500</u>	<u>661</u>	<u>161</u>	<u>563</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>500</u>	<u>661</u>	<u>161</u>	<u>563</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Judiciary.....	84	82	2	-
District Attorney.....	8	7	1	-
Administration and finance.....	1,385	1,385	-	-
Health & human services.....	6	6	-	-
Labor.....	3	3	-	-
Total expenditures.....	<u>1,486</u>	<u>1,483</u>	<u>3</u>	<u>-</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	334	(334)	-
Total other financing uses.....	<u>-</u>	<u>334</u>	<u>(334)</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>1,486</u>	<u>1,817</u>	<u>(331)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(986)	(1,156)	(170)	563
Fund balance (deficit) at beginning of year.....	<u>1,069</u>	<u>1,069</u>	<u>-</u>	<u>506</u>
Fund balance (deficit) at end of year.....	<u>\$ 83</u>	<u>\$ (87)</u>	<u>\$ (170)</u>	<u>\$ 1,069</u>

Workforce Training Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 40,938	\$ 25,920
Total assets.....	<u>\$ 40,938</u>	<u>\$ 25,920</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 2,051	\$ 2,555
Accrued payroll.....	<u>20</u>	<u>14</u>
Total liabilities.....	<u>2,071</u>	<u>2,569</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	18,277	10,320
Unreserved fund balance (deficit):		
Undesignated.....	<u>20,590</u>	<u>13,031</u>
Total fund balance (deficit).....	<u>38,867</u>	<u>23,351</u>
Total liabilities and fund balance.....	<u>\$ 40,938</u>	<u>\$ 25,920</u>

Workforce Training Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001 Budget</u>	<u>2001 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2000 Actual</u>
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 18,000	\$ 23,674	\$ 5,674	\$ 20,435
Total revenues.....	<u>18,000</u>	<u>23,674</u>	<u>5,674</u>	<u>20,435</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>18,000</u>	<u>23,674</u>	<u>5,674</u>	<u>20,435</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Labor.....	28,319	8,009	20,310	7,320
Total expenditures.....	<u>28,319</u>	<u>8,009</u>	<u>20,310</u>	<u>7,320</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	148	(148)	110
Operating transfers out.....	1	1	-	1
Total other financing uses.....	<u>1</u>	<u>149</u>	<u>(148)</u>	<u>111</u>
Total expenditures and other financing uses.....	<u>28,320</u>	<u>8,158</u>	<u>20,162</u>	<u>7,431</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(10,320)	15,516	25,836	13,004
Fund balance (deficit) at beginning of year.....	23,351	23,351	-	10,347
Fund balance (deficit) at end of year.....	<u>\$ 13,031</u>	<u>\$ 38,867</u>	<u>\$ 25,836</u>	<u>\$ 23,351</u>

Brownfields Revitalization Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 16,130	\$ 24,886
Total assets.....	<u>\$ 16,130</u>	<u>\$ 24,886</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 8	\$ 17
Accrued payroll.....	<u>6</u>	<u>5</u>
Total liabilities.....	<u>14</u>	<u>22</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	13,009	22,980
Unreserved fund balance (deficit):		
Undesignated.....	<u>3,107</u>	<u>1,884</u>
Total fund balance (deficit).....	<u>16,116</u>	<u>24,864</u>
Total liabilities and fund balance.....	<u>\$ 16,130</u>	<u>\$ 24,886</u>

Brownfields Revitalization Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Miscellaneous.....	\$ -	\$ 1,470	\$ 1,470	\$ 2,332
Total revenues.....	-	1,470	1,470	2,332
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	-	1,470	1,470	2,332
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Economic development.....	23,184	10,175	13,009	185
Total expenditures.....	23,184	10,175	13,009	185
Other financing uses:				
Fringe benefit cost assessment.....	-	43	(43)	34
Total other financing uses.....	-	43	(43)	34
Total expenditures and other financing uses.....	23,184	10,218	12,966	219
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(23,184)	(8,748)	14,436	2,113
Fund balance (deficit) at beginning of year.....	24,864	24,864	-	22,751
Fund balance (deficit) at end of year.....	\$ 1,680	\$ 16,116	\$ 14,436	\$ 24,864

Firearms Records Keeping Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 1,384	\$ 850
Total assets.....	<u>\$ 1,384</u>	<u>\$ 850</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>1,384</u>	<u>850</u>
Total fund balance (deficit).....	<u>1,384</u>	<u>850</u>
Total liabilities and fund balance.....	<u>\$ 1,384</u>	<u>\$ 850</u>

Firearms Records Keeping Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 968	\$ 534	\$ (434)	\$ 1,138
Total revenues.....	968	534	(434)	1,138
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	968	534	(434)	1,138
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Public safety.....	-	-	-	639
Total expenditures.....	-	-	-	639
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	-	-	-	639
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	968	534	(434)	499
Fund balance (deficit) at beginning of year.....	850	850	-	351
Fund balance (deficit) at end of year.....	<u>\$ 1,818</u>	<u>\$ 1,384</u>	<u>\$ (434)</u>	<u>\$ 850</u>

Clean Election Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 23,016	\$ 11,381
Total assets.....	<u>\$ 23,016</u>	<u>\$ 11,381</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	23,016	11,381
Total fund balance (deficit).....	<u>23,016</u>	<u>11,381</u>
Total liabilities and fund balance.....	<u>\$ 23,016</u>	<u>\$ 11,381</u>

Clean Election Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 445	\$ 442	\$ (3)	\$ 426
Miscellaneous.....	-	1,193	1,193	442
Total revenues.....	<u>445</u>	<u>1,635</u>	<u>1,190</u>	<u>868</u>
Other financing sources:				
Operating transfers in.....	10,000	10,000	-	10,000
Total other financing sources.....	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total revenues and other financing sources.....	<u>10,445</u>	<u>11,635</u>	<u>1,190</u>	<u>10,868</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Office of Campaign & Political Finance.....	-	-	-	-
Total expenditures.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	10,445	11,635	1,190	10,868
Fund balance (deficit) at beginning of year.....	<u>11,381</u>	<u>11,381</u>	<u>-</u>	<u>513</u>
Fund balance (deficit) at end of year.....	<u>\$ 21,826</u>	<u>\$ 23,016</u>	<u>\$ 1,190</u>	<u>\$ 11,381</u>

Tobacco Settlement Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 52,487	\$ 64,199
Due from federal government.....	44	-
Total assets.....	<u>\$ 52,531</u>	<u>\$ 64,199</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 19,109	\$ 24,335
Accrued payroll.....	50	16
Total liabilities.....	<u>19,159</u>	<u>24,351</u>
Fund balance:		
Reserved fund balance (deficit):		
Reserved for continuing appropriations.....	10,763	16,262
Unreserved fund balance (deficit):		
Undesignated.....	22,609	23,586
Total fund balance (deficit).....	<u>33,372</u>	<u>39,848</u>
Total liabilities and fund balance.....	<u>\$ 52,531</u>	<u>\$ 64,199</u>

Tobacco Settlement Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Federal grants & reimbursements.....	\$ 10,774	\$ 80	\$ (10,694)	\$ -
Departmental.....	2,394	-	(2,394)	-
Miscellaneous.....	-	3,478	3,478	2,627
Total revenues.....	<u>13,168</u>	<u>3,558</u>	<u>(9,610)</u>	<u>2,627</u>
Other financing sources:				
Tobacco settlement transfer.....	94,000	81,506	(12,494)	83,597
Total other financing sources.....	<u>94,000</u>	<u>81,506</u>	<u>(12,494)</u>	<u>83,597</u>
Total revenues and other financing sources.....	<u>107,168</u>	<u>85,064</u>	<u>(22,104)</u>	<u>86,224</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Sheriff's departments	50	28	22	7
Administration and finance.....	11,000	237	10,763	-
Communities & development.....	1,500	1,500	-	-
Health and human services.....	40,373	28,370	12,003	45,844
Higher education.....	230	218	12	148
Public safety.....	140	106	34	133
Elder affairs.....	30,742	25,486	5,256	187
Medicaid.....	47,700	35,360	12,340	-
Total expenditures.....	<u>131,735</u>	<u>91,305</u>	<u>40,430</u>	<u>46,319</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	234	(234)	57
Operating transfer out.....	1	1	-	-
Total other financing uses.....	<u>1</u>	<u>235</u>	<u>(234)</u>	<u>57</u>
Total expenditures and other financing uses.....	<u>131,736</u>	<u>91,540</u>	<u>40,196</u>	<u>46,376</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(24,568)	(6,476)	18,092	39,848
Fund balance (deficit) at beginning of year.....	<u>39,848</u>	<u>39,848</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year.....	<u>\$ 15,280</u>	<u>\$ 33,372</u>	<u>\$ 18,092</u>	<u>\$ 39,848</u>

Antitrust Law Enforcement Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 2,765	\$ 2,519
Total liabilities.....	<u>2,765</u>	<u>2,519</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(2,765)</u>	<u>(2,519)</u>
Total fund balance (deficit).....	<u>(2,765)</u>	<u>(2,519)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Antitrust Law Enforcement Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001 Budget</u>	<u>2001 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2000 Actual</u>
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 49	\$ 274	\$ 225	\$ 116
Total revenues.....	<u>49</u>	<u>274</u>	<u>225</u>	<u>116</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>49</u>	<u>274</u>	<u>225</u>	<u>116</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Attorney General.....	428	428	-	379
Total expenditures.....	<u>428</u>	<u>428</u>	<u>-</u>	<u>379</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	92	(92)	68
Total other financing uses.....	<u>-</u>	<u>92</u>	<u>(92)</u>	<u>68</u>
Total expenditures and other financing uses.....	<u>428</u>	<u>520</u>	<u>(92)</u>	<u>447</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(379)	(246)	133	(331)
Fund balance (deficit) at beginning of year.....	(2,519)	(2,519)	-	(2,188)
Fund balance (deficit) at end of year.....	<u>\$ (2,898)</u>	<u>\$ (2,765)</u>	<u>\$ 133</u>	<u>\$ (2,519)</u>

Victim and Witness Assistance Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 10,283	\$ 7,445
Accounts payable.....	34	23
Accrued payroll.....	18	16
Total liabilities.....	<u>10,335</u>	<u>7,484</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	6	21
Unreserved fund balance (deficit):		
Undesignated.....	<u>(10,341)</u>	<u>(7,505)</u>
Total fund balance (deficit).....	<u>(10,335)</u>	<u>(7,484)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Victim and Witness Assistance Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001

(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 8,420	\$ 8,638	\$ 218	\$ 8,464
Miscellaneous.....	-	-	-	119
Total revenues.....	<u>8,420</u>	<u>8,638</u>	<u>218</u>	<u>8,583</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>8,420</u>	<u>8,638</u>	<u>218</u>	<u>8,583</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Treasurer and Receiver-General.....	-	-	-	385
Attorney General.....	1,031	935	96	504
District attorney.....	8,340	8,298	42	7,719
Sheriff's department.....	-	-	-	1
Public safety.....	208	207	1	217
Total expenditures.....	<u>9,579</u>	<u>9,440</u>	<u>139</u>	<u>8,826</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	2,048	(2,048)	1,587
Operating transfers out.....	1	1	-	1
Total other financing uses.....	<u>1</u>	<u>2,049</u>	<u>(2,048)</u>	<u>1,588</u>
Total expenditures and other financing uses.....	<u>9,580</u>	<u>11,489</u>	<u>(1,909)</u>	<u>10,414</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(1,160)	(2,851)	(1,691)	(1,831)
Fund balance (deficit) at beginning of year.....	<u>(7,484)</u>	<u>(7,484)</u>	<u>-</u>	<u>(5,653)</u>
Fund balance (deficit) at end of year.....	<u>\$ (8,644)</u>	<u>\$ (10,335)</u>	<u>\$ (1,691)</u>	<u>\$ (7,484)</u>

Intercity Bus Capital Assistance Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 6,070	\$ 6,470
Total liabilities.....	<u>6,070</u>	<u>6,470</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(6,070)	(6,470)
Total fund balance (deficit).....	<u>(6,070)</u>	<u>(6,470)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Intercity Bus Capital Assistance Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 690	\$ 582	\$ (108)	\$ 629
Total revenues.....	<u>690</u>	<u>582</u>	<u>(108)</u>	<u>629</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>690</u>	<u>582</u>	<u>(108)</u>	<u>629</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Debt service:				
Principal retirement.....	19	18	1	12
Interest and fiscal charges.....	<u>139</u>	<u>137</u>	<u>2</u>	<u>3</u>
Total expenditures.....	<u>158</u>	<u>155</u>	<u>3</u>	<u>15</u>
Other financing uses:				
Transfer for capital projects due to debt defeasance.....	<u>27</u>	<u>27</u>	<u>-</u>	<u>-</u>
Total other financing uses.....	<u>27</u>	<u>27</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>185</u>	<u>182</u>	<u>3</u>	<u>15</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	505	400	(105)	614
Fund balance (deficit) at beginning of year.....	<u>(6,470)</u>	<u>(6,470)</u>	<u>-</u>	<u>(7,084)</u>
Fund balance (deficit) at end of year.....	<u>\$ (5,965)</u>	<u>\$ (6,070)</u>	<u>\$ (105)</u>	<u>\$ (6,470)</u>

Motorcycle Safety Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 326	\$ 238
Total assets.....	<u>\$ 326</u>	<u>\$ 238</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 39	\$ 15
Accrued payroll.....	<u>1</u>	<u>-</u>
Total liabilities.....	<u>40</u>	<u>15</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>286</u>	<u>223</u>
Total fund balance (deficit).....	<u>286</u>	<u>223</u>
Total liabilities and fund balance.....	<u>\$ 326</u>	<u>\$ 238</u>

Motorcycle Safety Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001 Budget</u>	<u>2001 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2000 Actual</u>
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 210	\$ 251	\$ 41	\$ 228
Total revenues.....	<u>210</u>	<u>251</u>	<u>41</u>	<u>228</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>210</u>	<u>251</u>	<u>41</u>	<u>228</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Public safety.....	186	178	8	166
Total expenditures.....	<u>186</u>	<u>178</u>	<u>8</u>	<u>166</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	10	(10)	11
Total other financing uses.....	<u>-</u>	<u>10</u>	<u>(10)</u>	<u>11</u>
Total expenditures and other financing uses.....	<u>186</u>	<u>188</u>	<u>(2)</u>	<u>177</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	24	63	39	51
Fund balance (deficit) at beginning of year.....	<u>223</u>	<u>223</u>	<u>-</u>	<u>172</u>
Fund balance (deficit) at end of year.....	<u>\$ 247</u>	<u>\$ 286</u>	<u>\$ 39</u>	<u>\$ 223</u>

Drug Analysis Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 292	\$ 371
Total assets.....	<u>\$ 292</u>	<u>\$ 371</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1	\$ 73
Accrued payroll.....	<u>2</u>	<u>-</u>
Total liabilities.....	<u>3</u>	<u>73</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>289</u>	<u>298</u>
Total fund balance (deficit).....	<u>289</u>	<u>298</u>
Total liabilities and fund balance.....	<u>\$ 292</u>	<u>\$ 371</u>

Drug Analysis Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 133	\$ 92	\$ (41)	\$ 124
Total revenues.....	<u>133</u>	<u>92</u>	<u>(41)</u>	<u>124</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>133</u>	<u>92</u>	<u>(41)</u>	<u>124</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Health and human services.....	78	73	5	97
Higher education.....	22	22	-	-
Total expenditures.....	<u>100</u>	<u>95</u>	<u>5</u>	<u>97</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	6	(6)	-
Total other financing uses.....	<u>-</u>	<u>6</u>	<u>6</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>100</u>	<u>101</u>	<u>(1)</u>	<u>97</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses...	33	(9)	(42)	27
Fund balance (deficit) at beginning of year.....	<u>298</u>	<u>298</u>	<u>-</u>	<u>271</u>
Fund balance (deficit) at end of year.....	<u>\$ 331</u>	<u>\$ 289</u>	<u>\$ (42)</u>	<u>\$ 298</u>

Trust Fund For The Head Injury Treatment Services Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 6,947	\$ 2,270
Total assets.....	<u>\$ 6,947</u>	<u>\$ 2,270</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 549	\$ 351
Total liabilities.....	<u>549</u>	<u>351</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>6,398</u>	<u>1,919</u>
Total fund balance (deficit).....	<u>6,398</u>	<u>1,919</u>
Total liabilities and fund balance.....	<u>\$ 6,947</u>	<u>\$ 2,270</u>

Trust Fund For The Head Injury Treatment Services Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 2,505	\$ 6,570	\$ 4,065	\$ 2,035
Miscellaneous.....	-	52	52	39
Total revenues.....	<u>2,505</u>	<u>6,622</u>	<u>4,117</u>	<u>2,074</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>2,505</u>	<u>6,622</u>	<u>4,117</u>	<u>2,074</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Health and human services.....	2,750	2,143	607	933
Total expenditures.....	<u>2,750</u>	<u>2,143</u>	<u>607</u>	<u>933</u>
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	<u>2,750</u>	<u>2,143</u>	<u>607</u>	<u>933</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(245)	4,479	4,724	1,141
Fund balance (deficit) at beginning of year.....	1,919	1,919	-	778
Fund balance (deficit) at end of year.....	<u>\$ 1,674</u>	<u>\$ 6,398</u>	<u>\$ 4,724</u>	<u>\$ 1,919</u>

Massachusetts Tourism Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 3,403	\$ 7,150
Total assets.....	<u>\$ 3,403</u>	<u>\$ 7,150</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 2,740	\$ 5,621
Accrued payroll.....	<u>64</u>	<u>63</u>
Total liabilities.....	<u>2,804</u>	<u>5,684</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	410	1,714
Unreserved fund balance (deficit):		
Undesignated.....	<u>189</u>	<u>(248)</u>
Total fund balance (deficit).....	<u>599</u>	<u>1,466</u>
Total liabilities and fund balance.....	<u>\$ 3,403</u>	<u>\$ 7,150</u>

Massachusetts Tourism Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 42,000	\$ 41,827	\$ (173)	\$ 38,338
Total revenues.....	42,000	41,827	(173)	38,338
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	42,000	41,827	(173)	38,338
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and finance.....	16,296	17,046	(750)	14,099
Transportation and construction.....	500	445	55	475
Economic development.....	26,076	24,727	1,349	23,219
Total expenditures.....	42,872	42,218	654	37,793
Other financing uses:				
Fringe benefit cost assessment.....	-	472	(472)	386
Operating transfers out.....	4	4	-	3
Total other financing uses.....	4	476	(472)	389
Total expenditures and other financing uses.....	42,876	42,694	182	38,182
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses....	(876)	(867)	9	156
Fund balance (deficit) at beginning of year.....	1,466	1,466	-	1,310
Fund balance (deficit) at end of year.....	\$ 590	\$ 599	\$ 9	\$ 1,466

Ponkapoag Recreational Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 276	\$ 98
Total assets.....	<u>\$ 276</u>	<u>\$ 98</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 265	\$ 187
Accrued payroll.....	<u>16</u>	<u>11</u>
Total liabilities.....	<u>281</u>	<u>198</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(5)</u>	<u>(100)</u>
Total fund balance (deficit).....	<u>(5)</u>	<u>(100)</u>
Total liabilities and fund balance.....	<u>\$ 276</u>	<u>\$ 98</u>

Ponkapoag Recreational Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 890	\$ 898	\$ 8	\$ 700
Total revenues.....	<u>890</u>	<u>898</u>	<u>8</u>	<u>700</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>890</u>	<u>898</u>	<u>8</u>	<u>700</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Environmental affairs.....	898	750	148	667
Total expenditures.....	<u>898</u>	<u>750</u>	<u>148</u>	<u>667</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	53	(53)	55
Operating transfers out.....	-	-	-	1
Total other financing uses.....	<u>-</u>	<u>53</u>	<u>(53)</u>	<u>56</u>
Total expenditures and other financing uses.....	<u>898</u>	<u>803</u>	<u>95</u>	<u>723</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(8)	95	103	(23)
Fund balance (deficit) at beginning of year.....	(100)	(100)	-	(77)
Fund balance (deficit) at end of year.....	<u>\$ (108)</u>	<u>\$ (5)</u>	<u>\$ 103</u>	<u>\$ (100)</u>

Leo J. Martin Recreation Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 136	\$ -
Total assets.....	<u>\$ 136</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ 136
Accounts payable.....	303	48
Accrued payroll.....	12	11
Total liabilities.....	<u>315</u>	<u>195</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	(179)	(195)
Total fund balance (deficit).....	<u>(179)</u>	<u>(195)</u>
Total liabilities and fund balance.....	<u>\$ 136</u>	<u>\$ -</u>

Leo J. Martin Recreation Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001 Budget</u>	<u>2001 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2000 Actual</u>
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 692	\$ 683	\$ (9)	\$ 450
Total revenues.....	<u>692</u>	<u>683</u>	<u>(9)</u>	<u>450</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>692</u>	<u>683</u>	<u>(9)</u>	<u>450</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Environmental affairs.....	682	614	68	406
Total expenditures.....	<u>682</u>	<u>614</u>	<u>68</u>	<u>406</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	53	(53)	45
Total other financing uses.....	<u>-</u>	<u>53</u>	<u>(53)</u>	<u>45</u>
Total expenditures and other financing uses.....	<u>682</u>	<u>667</u>	<u>15</u>	<u>451</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	10	16	6	(1)
Fund balance (deficit) at beginning of year.....	(195)	(195)	-	(194)
Fund balance (deficit) at end of year.....	<u>\$ (185)</u>	<u>\$ (179)</u>	<u>\$ 6</u>	<u>\$ (195)</u>

Division of Insurance Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 261	\$ 111
Total assets.....	<u>\$ 261</u>	<u>\$ 111</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	-	532
Unreserved fund balance (deficit):		
Undesignated.....	<u>261</u>	<u>(421)</u>
Total fund balance (deficit)	<u>261</u>	<u>111</u>
Total liabilities and fund balance.....	<u>\$ 261</u>	<u>\$ 111</u>

Division of Insurance Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001 Budget</u>	<u>2001 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2000 Actual</u>
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 4,312	\$ 4,981	\$ 669	\$ 5,226
Total revenues.....	<u>4,312</u>	<u>4,981</u>	<u>669</u>	<u>5,226</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>4,312</u>	<u>4,981</u>	<u>669</u>	<u>5,226</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and finance.....	1	1	-	-
Consumer affairs.....	4,560	4,410	150	4,116
Total expenditures.....	<u>4,561</u>	<u>4,411</u>	<u>150</u>	<u>4,116</u>
Other financing uses:				
Fringe benefits cost assessment.....	-	420	(420)	348
Total other financing uses.....	-	420	(420)	348
Total expenditures and other financing uses.....	<u>4,561</u>	<u>4,831</u>	<u>(270)</u>	<u>4,464</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(249)	150	399	762
Fund balance (deficit) at beginning of year.....	111	111	-	(651)
Fund balance (deficit) at end of year.....	<u>\$ (138)</u>	<u>\$ 261</u>	<u>\$ 399</u>	<u>\$ 111</u>

Reggie Lewis Track and Athletic Center Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 453	\$ 362
Total assets.....	<u>\$ 453</u>	<u>\$ 362</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 31	\$ 50
Total liabilities.....	<u>31</u>	<u>50</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	422	312
Total fund balance (deficit).....	<u>422</u>	<u>312</u>
Total liabilities and fund balance.....	<u>\$ 453</u>	<u>\$ 362</u>

Reggie Lewis Track and Athletic Center Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 296	\$ 381	\$ 85	\$ 325
Total revenues.....	<u>296</u>	<u>381</u>	<u>85</u>	<u>325</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>296</u>	<u>381</u>	<u>85</u>	<u>325</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Higher education.....	273	271	2	245
Total expenditures.....	<u>273</u>	<u>271</u>	<u>2</u>	<u>245</u>
Other financing uses:				
Fringe benefit cost assessment.....	-	-	-	-
Total other financing uses.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>273</u>	<u>271</u>	<u>2</u>	<u>245</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	23	110	87	80
Fund balance (deficit) at beginning of year.....	312	312	-	232
Fund balance (deficit) at end of year.....	<u>\$ 335</u>	<u>\$ 422</u>	<u>\$ 87</u>	<u>\$ 312</u>

State Building Management Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 7,253	\$ 8,334
Total assets.....	<u>\$ 7,253</u>	<u>\$ 8,334</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 31	\$ 183
Total liabilities.....	<u>31</u>	<u>183</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>7,222</u>	<u>8,151</u>
Total fund balance (deficit).....	<u>7,222</u>	<u>8,151</u>
Total liabilities and fund balance.....	<u>\$ 7,253</u>	<u>\$ 8,334</u>

State Building Management Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 17,808	\$ 17,913	\$ 105	\$ 18,149
Miscellaneous.....	-	654	654	161
Total revenues.....	<u>17,808</u>	<u>18,567</u>	<u>759</u>	<u>18,310</u>
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	<u>17,808</u>	<u>18,567</u>	<u>759</u>	<u>18,310</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and finance.....	21,065	19,496	1,569	18,923
Total expenditures.....	<u>21,065</u>	<u>19,496</u>	<u>1,569</u>	<u>18,923</u>
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	<u>21,065</u>	<u>19,496</u>	<u>1,569</u>	<u>18,923</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(3,257)	(929)	2,328	(613)
Fund balance (deficit) at beginning of year.....	8,151	8,151	-	8,764
Fund balance (deficit) at end of year.....	<u>\$ 4,894</u>	<u>\$ 7,222</u>	<u>\$ 2,328</u>	<u>\$ 8,151</u>

Health Protection Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 24,278	\$ 34,666
Total assets.....	<u>\$ 24,278</u>	<u>\$ 34,666</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 11,409	\$ 16,087
Accrued payroll.....	<u>53</u>	<u>36</u>
Total liabilities.....	<u>11,462</u>	<u>16,123</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>12,816</u>	<u>18,543</u>
Total fund balance (deficit).....	<u>12,816</u>	<u>18,543</u>
Total liabilities and fund balance.....	<u>\$ 24,278</u>	<u>\$ 34,666</u>

Health Protection Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 89,386	\$ 88,205	\$ (1,181)	\$ 91,326
Departmental.....	148	-	(148)	-
Miscellaneous.....	-	13	13	11
Total revenues.....	89,534	88,218	(1,316)	91,337
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	89,534	88,218	(1,316)	91,337
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Attorney General.....	200	132	68	158
District Attorney.....	4	4	-	11
Sheriff's department.....	46	41	5	66
Health and human services.....	65,291	63,306	1,985	59,441
Education.....	25,128	24,251	877	24,050
Higher education.....	203	187	16	108
Public safety.....	5,390	5,319	71	5,340
Elder affairs.....	50	29	21	-
Total expenditures.....	96,312	93,269	3,043	89,174
Other financing uses:				
Fringe benefit cost assessment.....	-	675	(675)	505
Operating transfers out.....	1	1	-	8
Total other financing uses.....	1	676	(675)	513
Total expenditures and other financing uses.....	96,313	93,945	2,368	89,687
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses...	(6,779)	(5,727)	1,052	1,650
Fund balance (deficit) at beginning of year.....	18,543	18,543	-	16,893
Fund balance (deficit) at end of year.....	\$ 11,764	\$ 12,816	\$ 1,052	\$ 18,543

Assisted Living Administration Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 984	\$ 922
Total assets.....	<u>\$ 984</u>	<u>\$ 922</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 11	\$ 11
Accrued payroll.....	<u>10</u>	<u>6</u>
Total liabilities.....	<u>21</u>	<u>17</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>963</u>	<u>905</u>
Total fund balance (deficit).....	<u>963</u>	<u>905</u>
Total liabilities and fund balance.....	<u>\$ 984</u>	<u>\$ 922</u>

Assisted Living Administration Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 384	\$ 411	\$ 27	\$ 456
Total revenues.....	384	411	27	456
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	384	411	27	456
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Elder affairs.....	368	284	84	-
Total expenditures.....	368	284	84	-
Other financing uses:				
Fringe benefit cost assessment.....	-	69	(69)	-
Total other financing uses.....	-	69	(69)	-
Total expenditures and other financing uses.....	368	353	15	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	16	58	42	456
Fund balance (deficit) at beginning of year.....	905	905	-	449
Fund balance (deficit) at end of year.....	\$ 921	\$ 963	\$ 42	\$ 905

Commonwealth Cost Relief Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>-</u>	<u>-</u>
Total fund balance (deficit).....	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Commonwealth Cost Relief Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001 Budget</u>	<u>2001 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2000 Actual</u>
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:				
Operating transfers in.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and finance.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,018</u>
Total expenditures.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,018</u>
Other financing uses:				
Sewer rate relief.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,591</u>
Operating transfers out.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,837</u>
Total other financing uses.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,428</u>
Total expenditures and other financing uses.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,446</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-	-	(13,446)
Fund balance (deficit) at beginning of year.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,446</u>
Fund balance (deficit) at end of year.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Children's and Seniors' Health Care Assistance Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ 69,600
Due from federal government.....	<u>5,791</u>	<u>3,700</u>
Total assets.....	<u>\$ 5,791</u>	<u>\$ 73,300</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investment.....	\$ 15,555	\$ -
Accounts payable.....	<u>3,433</u>	<u>8,112</u>
Total liabilities.....	<u>18,988</u>	<u>8,112</u>
Fund balance:		
Reserved fund balance (deficit):		
Reserved for continuing appropriation.....	85	-
Unreserved fund balance (deficit):		
Undesignated.....	<u>(13,282)</u>	<u>65,188</u>
Total fund balance (deficit).....	<u>(13,197)</u>	<u>65,188</u>
Total liabilities and fund balance.....	<u>\$ 5,791</u>	<u>\$ 73,300</u>

Children's and Seniors' Health Care Assistance Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 91,714	\$ 90,631	\$ (1,083)	\$ 93,699
Federal grants and reimbursements.....	256,856	313,092	56,236	245,829
Departmental.....	3,634	6,074	2,440	3,212
Miscellaneous.....	-	-	-	4
Total revenues.....	<u>352,204</u>	<u>409,797</u>	<u>57,593</u>	<u>342,744</u>
Other financing sources:				
Operating transfers in.....	<u>80,952</u>	<u>80,952</u>	<u>-</u>	<u>83,952</u>
Total other financing sources.....	<u>80,952</u>	<u>80,952</u>	<u>-</u>	<u>83,952</u>
Total revenues and other financing sources.....	<u>433,156</u>	<u>490,749</u>	<u>57,593</u>	<u>426,696</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Attorney General.....	4	2	2	4
Health and human services.....	53,430	46,970	6,460	30,321
Elder affairs.....	1,445	1,112	333	1,169
Consumer affairs.....	4	3	1	4
Medicaid.....	<u>532,967</u>	<u>519,497</u>	<u>13,470</u>	<u>419,166</u>
Total expenditures.....	<u>587,850</u>	<u>567,584</u>	<u>20,266</u>	<u>450,664</u>
Other financing uses:				
Fringe benefit cost assessment.....	<u>-</u>	<u>1,550</u>	<u>(1,550)</u>	<u>1,263</u>
Total other financing uses.....	<u>-</u>	<u>1,550</u>	<u>(1,550)</u>	<u>1,263</u>
Total expenditures and other financing uses.....	<u>587,850</u>	<u>569,134</u>	<u>18,716</u>	<u>451,927</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses....	(154,694)	(78,385)	76,309	(25,231)
Fund balance (deficit) at beginning of year.....	<u>65,188</u>	<u>65,188</u>	<u>-</u>	<u>90,419</u>
Fund balance (deficit) at end of year.....	<u>\$ (89,506)</u>	<u>\$ (13,197)</u>	<u>\$ 76,309</u>	<u>\$ 65,188</u>

Diversity Awareness Education Trust Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 7	\$ 4
Total assets.....	<u>\$ 7</u>	<u>\$ 4</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	7	4
Total fund balance (deficit).....	7	4
Total liabilities and fund balance.....	<u>\$ 7</u>	<u>\$ 4</u>

Diversity Awareness Education Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ -	\$ 3	\$ 3	\$ 1
Total revenues.....	-	3	3	1
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	-	3	3	1
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Environmental affairs.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	3	3	1
Fund balance (deficit) at beginning of year.....	4	4	-	3
Fund balance (deficit) at end of year.....	\$ 4	\$ 7	\$ 3	\$ 4

Child Care Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Due from federal government.....	\$ 60,113	\$ 48,159
Total assets.....	<u>\$ 60,113</u>	<u>\$ 48,159</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 27,164	\$ 15,007
Accounts payable.....	<u>32,949</u>	<u>31,860</u>
Total liabilities.....	<u>60,113</u>	<u>46,867</u>
Fund balance:		
Reserved fund balance (deficit):		
Reserved for continuing appropriations.....	81	-
Unreserved fund balance (deficit):		
Undesignated.....	<u>(81)</u>	<u>1,292</u>
Total fund balance (deficit).....	<u>-</u>	<u>1,292</u>
Total liabilities and fund balance.....	<u>\$ 60,113</u>	<u>\$ 48,159</u>

Child Care Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Federal grants and reimbursements.....	\$ 87,566	\$ 186,151	\$ 98,585	\$ 166,334
Total revenues.....	87,566	186,151	98,585	166,334
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	87,566	186,151	98,585	166,334
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Health and human services.....	191,743	187,443	4,300	166,334
Total expenditures.....	191,743	187,443	4,300	166,334
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	191,743	187,443	4,300	166,334
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(104,177)	(1,292)	102,885	-
Fund balance (deficit) at beginning of year.....	1,292	1,292	-	1,292
Fund balance (deficit) at end of year.....	\$ (102,885)	\$ -	\$ 102,885	\$ 1,292

Transitional Aid to Needy Families Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	2001	2000
ASSETS		
Due from federal government.....	\$ 109,772	\$ 50,579
Total assets.....	<u>\$ 109,772</u>	<u>\$ 50,579</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 120,288	\$ 50,408
Accounts payable.....	<u>681</u>	<u>171</u>
Total liabilities.....	<u>120,969</u>	<u>50,579</u>
Fund balance:		
Reserved fund balance (deficit):		
Reserved for continuing appropriations.....	243	-
Unreserved fund balance (deficit):		
Undesignated.....	<u>(11,440)</u>	<u>-</u>
Total fund balance (deficit).....	<u>(11,197)</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 109,772</u>	<u>\$ 50,579</u>

Transitional Aid to Needy Families Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Federal grants and reimbursements.....	\$ 508,104	\$ 352,979	\$ (155,125)	\$ 308,904
Total revenues.....	508,104	352,979	(155,125)	308,904
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	508,104	352,979	(155,125)	308,904
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Treasurer and Receiver-General.....	394	393	1	365
Administration and finance.....	2	2	-	9
Communities and development.....	929	913	16	2,791
Health and human services.....	317,364	304,195	13,169	276,422
Transportation and construction.....	4,375	3,855	520	625
Education.....	42,819	42,641	178	-
Higher education.....	332	315	17	196
Labor.....	4,924	4,931	(7)	4,141
Total expenditures.....	371,139	357,245	13,894	284,549
Other financing uses:				
Fringe benefit cost assessment.....	-	5,341	(5,341)	3,772
Caseload mitigation.....	1,590	1,590	-	20,583
Total other financing uses.....	1,590	6,931	(5,341)	24,355
Total expenditures and other financing uses.....	372,729	364,176	8,553	308,904
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	135,375	(11,197)	(146,572)	-
Fund balance (deficit) at beginning of year.....	-	-	-	-
Fund balance (deficit) at end of year.....	\$ 135,375	\$ (11,197)	\$ (146,572)	\$ -

Social Services Program Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	2001	2000
ASSETS		
Cash and short-term investments.....	\$ 2,674	\$ -
Due from federal government.....	-	11,231
Total assets.....	<u>\$ 2,674</u>	<u>\$ 11,231</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ 9,831
Accounts payable.....	1,623	1,345
Accrued payroll.....	13	8
Total liabilities.....	<u>1,636</u>	<u>11,184</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	826	31
Unreserved fund balance (deficit):		
Undesignated.....	212	16
Total fund balance (deficit).....	<u>1,038</u>	<u>47</u>
Total liabilities and fund balance.....	<u>\$ 2,674</u>	<u>\$ 11,231</u>

Social Services Program Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Federal grants and reimbursements.....	\$ 38,741	\$ 85,550	\$ 46,809	\$ 88,272
Total revenues.....	38,741	85,550	46,809	88,272
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	38,741	85,550	46,809	88,272
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
District attorney.....	414	394	20	375
Health and human services.....	84,312	83,165	1,147	85,633
Total expenditures.....	84,726	83,559	1,167	86,008
Other financing uses:				
Fringe benefit cost assessment.....	-	999	(999)	1,947
Operating transfers out.....	1	1	-	1
Total other financing uses.....	1	1,000	(999)	1,948
Total expenditures and other financing uses.....	84,727	84,559	168	87,956
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(45,986)	991	46,977	316
Fund balance (deficit) at beginning of year.....	47	47	-	(269)
Fund balance (deficit) at end of year.....	\$ (45,939)	\$ 1,038	\$ 46,977	\$ 47

Local Consumer Inspection Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 562	\$ 574
Accounts payable.....	12	-
Total liabilities.....	<u>574</u>	<u>574</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(574)</u>	<u>(574)</u>
Total fund balance (deficit).....	<u>(574)</u>	<u>(574)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Local Consumer Inspection Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	-	-	-	-
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Consumer affairs.....	-	-	-	252
Total expenditures.....	-	-	-	252
Other financing uses:				
Fringe benefit cost assessment.....	-	-	-	26
Total other financing uses.....	-	-	-	26
Total expenditures and other financing uses.....	-	-	-	278
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-	-	(278)
Fund balance (deficit) at beginning of year.....	(574)	(574)	(574)	(296)
Fund balance (deficit) at end of year.....	\$ (574)	\$ (574)	\$ (574)	\$ (574)

Caseload Increase Mitigation Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 155,583	\$ 153,562
Total assets.....	<u>\$ 155,583</u>	<u>\$ 153,562</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	155,583	153,562
Total fund balance (deficit).....	<u>155,583</u>	<u>153,562</u>
Total liabilities and fund balance.....	<u>\$ 155,583</u>	<u>\$ 153,562</u>

Caseload Increase Mitigation Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ 6,819	\$ -	\$ (6,819)	\$ -
Total revenues.....	6,819	-	(6,819)	-
Other financing sources:				
Caseload mitigation.....	-	2,021	2,021	22,091
Total other financing sources.....	-	2,021	2,021	22,091
Total revenues and other financing sources.....	6,819	2,021	(4,798)	22,091
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Environmental affairs.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	6,819	2,021	(4,798)	22,091
Fund balance (deficit) at beginning of year.....	153,562	153,562	-	131,471
Fund balance (deficit) at end of year.....	\$ 160,381	\$ 155,583	\$ (4,798)	\$ 153,562

Convention and Exhibition Center Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 128,716	\$ 73,201
Total assets.....	<u>\$ 128,716</u>	<u>\$ 73,201</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,521	\$ 1,759
Total liabilities.....	<u>1,521</u>	<u>1,759</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	14,201	1
Unreserved fund balance (deficit):		
Undesignated.....	<u>112,994</u>	<u>71,441</u>
Total fund balance (deficit).....	<u>127,195</u>	<u>71,442</u>
Total liabilities and fund balance.....	<u>\$ 128,716</u>	<u>\$ 73,201</u>

Convention and Exhibition Center Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ 38,400	\$ 45,154	\$ 6,754	\$ 42,909
Miscellaneous.....	-	12,120	12,120	4,271
Total revenues.....	38,400	57,274	18,874	47,180
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	38,400	57,274	18,874	47,180
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Administration and finance.....	15,722	1,521	14,201	19,759
Total expenditures.....	15,722	1,521	14,201	19,759
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	15,722	1,521	14,201	19,759
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	22,678	55,753	33,075	27,421
Fund balance (deficit) at beginning of year.....	71,442	71,442	-	44,021
Fund balance (deficit) at end of year.....	\$ 94,120	\$ 127,195	\$ 33,075	\$ 71,442

Voting Equipment Loan Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 1,397	\$ 1,397
Total assets.....	<u>\$ 1,397</u>	<u>\$ 1,397</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>1,397</u>	<u>1,397</u>
Total fund balance (deficit).....	<u>1,397</u>	<u>1,397</u>
Total liabilities and fund balance.....	<u>\$ 1,397</u>	<u>\$ 1,397</u>

Voting Equipment Loan Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001 Budget	2001 Actual	Variance Favorable (Unfavorable)	2000 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Departmental.....	\$ -	\$ -	\$ -	\$ -
Total revenues.....	-	-	-	-
Other financing sources:				
Operating transfers in.....	-	-	-	-
Total other financing sources.....	-	-	-	-
Total revenues and other financing sources.....	-	-	-	-
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Secretary of the Commonwealth.....	-	-	-	-
Total expenditures.....	-	-	-	-
Other financing uses:				
Operating transfers out.....	-	-	-	-
Total other financing uses.....	-	-	-	-
Total expenditures and other financing uses.....	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-	-	-
Fund balance (deficit) at beginning of year.....	1,397	1,397	-	1,397
Fund balance (deficit) at end of year.....	<u>\$ 1,397</u>	<u>\$ 1,397</u>	<u>\$ -</u>	<u>\$ 1,397</u>

Non-Budgeted Funds

SPECIAL REVENUE FUNDS:

These funds account for the proceeds of specific revenue sources that are restricted to finance specific functions. Funds that are not subject to appropriation are considered Non-budgeted Special Revenue Funds.

Federal Grants Fund – to account for federal grants that are designated for specific programs, excluding federal highway construction grants, which are accounted for in the Federal Highway Construction Capital Projects Fund, and federal reimbursement programs, such as Medicaid, which are accounted for in the General Fund.

LOTTERY FUNDS:

The two lottery funds account for the operations of the State and Arts Lotteries.

State Lottery Fund – to account for revenue from sale of lottery tickets and for the payment of prizes, expenses of the State Lottery Commission and the distribution to municipalities and school districts. Transfers are made to the local aid fund.

Arts Lottery Fund - to account for revenues from sale of lottery tickets, for payment of prizes and the expenses of the State Lottery Commission, and for the administration of the Arts Lottery Council. Transfers are made to the Local Aid Fund.

UNIVERSAL HEALTH CARE FUND:

The three Universal Healthcare Funds account for assessments and other revenues that are dedicated to making health care and health insurance accessible and affordable to all Citizens of the Commonwealth.

Uncompensated Care Fund – to account for funds received from hospitals, transfers from budgeted

funds and federal reimbursements; used for the purposes of the Uncompensated Care Pool.

Labor Shortage Fund – to account for assessments on each acute care hospital equal to one-tenth of one-percent of gross patient service revenues; used for training health care workers, career development within the health care profession, and establishment of day care programs at hospitals and other health care facilities.

Medical Security Trust Fund – to account for premiums, fees, and contributions; used for health insurance for workers receiving unemployment insurance.

OTHER FUNDS:

The other minor special revenue funds account for a variety of miscellaneous taxes, assessments, fees, fines and other revenues, which are restricted to the financing of specific Commonwealth programs.

Department of Telecommunication and Energy Trust Fund – to account for expenditures by the Department of Telecommunications and Energy for activities of the department related to the regulation of electric companies.

Liability Management and Reduction Fund - to account for charge backs assessed to departments as premiums for the provision of insurance coverage for state agencies to cover payment of judgements, settlements and litigation costs in tort claims.

Debt Defeasance Trust Fund – to account for transfers from General Fund and Highway Fund for purpose of defeasing debt pursuant to Chapter 55 of the Acts of 1999 section 6, 7 and 8, as amended, and Sections 13 and 17 of Chapter 87 of the Acts of 2000.

Health Care Security Trust Fund – to account for revenues received from tobacco companies under the tobacco settlement, interest income as well as expenditures to the Tobacco Settlement Fund for health related services and programs intended to control or reduce the use of tobacco in the Commonwealth.

Civil Monetary Penalty Fund – to account for civil monetary penalties paid by nursing homes participating in the medical program for the protection of health and property of residents in a nursing home if the facility is found deficient.

MBTA State and Local Contribution Fund – to account for the transfer of revenue and MBTA service area assessments from the Commonwealth to the MBTA as set forth in Massachusetts General Laws, Chapter 10, Section 35T.

Catastrophic Illness in Children Relief Fund – to account for receipts from a portion of an employer’s unemployment health insurance contribution and certain Federal financial participation. The assistance is for medical expenses of childhood catastrophic illnesses not covered by any other State and Federal program and subject to certain family income limits.

MBTA Infrastructure Renovation Fund – to account for supplemental appropriations beyond the MBTA State and Local Contribution Fund for certain MBTA infrastructure improvements. Funds are to be used for, but not limited to, compliance with the American with Disabilities Act, elevator and escalator improvements, waterproofing, fare gates, signage, lighting and structural improvements only. No rolling stock is to be acquired through the fund.

Community Preservation Trust Fund – to account for revenues received from surcharges on real estate property taxes, public and private sources as gifts, grants and donations, from damages, penalties costs from litigation settlements and surcharge on municipal liens imposed by the cities and towns who accept funds from the trust, to further community open – space preservation programs.

Health Insurance Portability and Accountability Act Fund – to account for revenues received from Federal reimbursements under the Social Security Act, other Federal reimbursements, grants, gifts or other contributions to meet the costs of compliance with the Federal Health Insurance Portability and Accountability Act of 1996 (HIPPA).

Government Land Bank Fund – to account for proceeds from disposition, conversion and redevelopment of land used for payments of principal and interest on bonds and notes of the Massachusetts Development Finance Agency.

Federally-Assisted Housing Fund – to account for Federal housing financial assistance; used for payments of principal and interest on bond debt.

Oil Overcharge Fund – to account for the fines and penalties collected under federal litigation from certain oil companies; used to provide fuel assistance and home insulation for low-income residents.

Environmental Trust Fund – to account for fines, gifts and grants used for restoration, protection and improvement of the quality of Boston Harbor, Lynn Harbor, Massachusetts Bay, Buzzard’s Bay and Cape Cod Bay.

Children’s Trust Fund – to account for gifts, grants, interest, and donations to the Child Abuse Prevention Board and certain appropriations designated to be transferred to the fund; used for support programs to raise awareness of child abuse and prevention programs.

Child Support Enforcement Fund – to account for Federal grants used for activities associated with the collection of child support.

Department of Industrial Accidents Special Fund – to account for assessments to employers and cities and towns for worker’s compensation insurance premiums and penalties assessed against employers who fail to insure for the worker’s compensation; used to reimburse the general fund for the operating account of the Department of Industrial Accidents and for administrative overhead.

County Correction Fund – to account for approximately seven and one half percent of the deeds excise tax distributed to counties for the operation of county correctional facilities.

Massachusetts AIDS Fund – to account for gifts, grants, and donations; used for research, treatment, and education related to acquired immune deficiency syndrome.

Board of Registration in Medicine Fund – to account for certain revenues and expenditures of the Board.

Water Pollution Abatement Projects Administration Fund – to account for transfers from the Water Pollution Abatement Trust and general obligation bond proceeds; used for the administration of the Department of Environmental Protection to fund water pollution abatement projects.

Commonwealth Sewer Rate Relief Fund – to account for transfers of amounts from the General Fund or other funds; used for the purpose of mitigating sewer rate increases and making sewer rate relief grants to municipalities.

Motor Vehicle Safety Inspection Trust Fund – to account for vehicle inspection fees for administration and operation of safety inspection programs by the Registry of Motor Vehicles.

Child Care Quality Fund – to account for expenditures by the commissioner of the Office for Children for providing grants for not-for-profit childcare organizations for the purpose of improving childcare services.

Grant Anticipation Note Trust Fund - to account for proceeds to cover grant anticipation note expenditures and pay the related debt service of the proceeds.

The following fund has been enacted in legislation but is inactive for fiscal year 2001:

Energy Technology Development Fund – to account for revenues received from miscellaneous trusts, gifts and donations to be administered and expended by the commissioner of the Division of Energy Resources to promote energy efficiency and the research development and commercialization of new energy technologies.



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Non-Budgeted Special Revenue Funds
Combining Balance Sheet - Statutory Basis

June 30, 2001 and 2000
(Amounts in thousands)

	Federal Grants	Lotteries	Universal Health Care
ASSETS			
Cash and short-term investments.....	\$ -	\$ 8,370	\$ 246,770
Cash with fiscal agent.....	-	-	-
Receivables, net of allowance for uncollectibles:			
Taxes.....	-	-	-
Due from federal government.....	217,707	-	27,500
Other receivables.....	-	3,912	27,500
Total assets.....	<u>\$ 217,707</u>	<u>\$ 12,282</u>	<u>\$ 301,770</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Deficiency in cash and short-term investments.....	\$ 26,840	\$ -	\$ -
Accounts payable.....	157,413	24,190	60,420
Accrued payroll.....	6,234	-	48
Unearned federal revenue.....	18,966	-	-
Due to other funds.....	-	-	-
Total liabilities.....	<u>209,453</u>	<u>24,190</u>	<u>60,468</u>
Fund balances:			
Reserved fund balance:			
Reserved for debt service.....	-	-	-
Reserved for debt defeasance.....	-	-	-
Reserved for capital projects.....	-	-	-
Unreserved:			
Designated for specific purpose.....	8,254	(11,908)	241,302
Total fund balances.....	<u>8,254</u>	<u>(11,908)</u>	<u>241,302</u>
Total liabilities and fund balances.....	<u>\$ 217,707</u>	<u>\$ 12,282</u>	<u>\$ 301,770</u>

Totals (Memorandum only)		
Other	2001	2000
\$ 682,304	\$ 937,444	\$ 1,064,605
83,252	83,252	49,973
434	434	409
77,901	323,108	342,227
-	31,412	46,414
<u>\$ 843,891</u>	<u>\$ 1,375,650</u>	<u>\$ 1,503,628</u>
\$ 49,605	\$ 76,445	\$ 54,134
69,088	311,111	268,995
359	6,641	6,235
-	18,966	-
77,206	77,206	84,834
<u>196,258</u>	<u>490,369</u>	<u>414,198</u>
83,252	83,252	49,973
-	-	650,000
7,465	7,465	7,374
<u>556,916</u>	<u>794,564</u>	<u>382,083</u>
<u>647,633</u>	<u>885,281</u>	<u>1,089,430</u>
<u>\$ 843,891</u>	<u>\$ 1,375,650</u>	<u>\$ 1,503,628</u>

Non-Budgeted Special Revenue Funds

Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 2001 and 2000
(Amounts in thousands)

	Federal Grants	Lotteries	Universal Health Care
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Taxes.....	\$ -	\$ 2,014	\$ -
Assessments.....	-	-	331,937
Federal grants and reimbursements.....	1,449,784	-	222,156
Tobacco settlement revenue.....	-	-	-
Departmental.....	-	4,131,557	390,470
Miscellaneous.....	47	6,932	15,062
Total revenues.....	1,449,831	4,140,503	959,625
Other financing sources:			
Proceeds of grant anticipation notes.....	-	-	-
Sewer rate relief.....	-	-	-
Debt defeasance trust transfer.....	-	-	-
Operating transfers in.....	-	49,438	180,124
Total other financing sources.....	-	49,438	180,124
Total revenues and other financing sources.....	1,449,831	4,189,941	1,139,749
EXPENDITURES AND OTHER FINANCING USES			
Expenditures:			
Judiciary.....	626	-	-
Governor and Lieutenant Governor.....	-	-	-
Secretary of the Commonwealth.....	973	-	-
Treasurer and Receiver-General.....	2,305	3,201,901	-
Attorney General.....	7,627	-	-
District Attorney.....	3,357	-	-
Sheriff's Departments.....	2,561	-	-
Disabled Persons Protection Commission.....	25	-	-
Board of Library Commissioners.....	3,007	-	-
Administration and finance.....	5,381	-	99
Environmental affairs.....	19,317	-	-
Communities and development.....	305,545	-	-
Health and human services.....	281,388	-	897,861
Transportation and construction.....	5,896	-	-
Education.....	536,505	-	-
Higher education.....	7,236	-	-
Public safety.....	46,133	-	-
Economic development.....	1,376	-	-
Elder affairs.....	26,990	-	-
Consumer affairs.....	769	-	-
Labor.....	124,421	-	14,633
Direct local aid.....	-	-	-
Debt service:			
Principal retirement.....	-	-	-
Interest and fiscal charges.....	-	-	-
Total expenditures.....	1,381,438	3,201,901	912,593
Other financing uses:			
Payments to refunded bond escrow agent.....	-	-	-
Fringe benefit cost assessment.....	35,743	3,687	359
Lottery operating reimbursements.....	-	85,646	-
Lottery distributions.....	-	862,132	-
Federal reimbursement transfer out.....	-	-	-
Tobacco settlement transfer.....	-	-	-
Operating transfers out.....	33,150	49,438	251,965
Transfer for debt defeasance-refunding.....	-	-	-
Total other financing uses.....	68,893	1,000,903	252,324
Total expenditures and other financing uses.....	1,450,331	4,202,804	1,164,917
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(500)	(12,863)	(25,168)
Fund balances at beginning of year.....	8,754	955	266,470
Fund balances at end of year.....	\$ 8,254	\$ (11,908)	\$ 241,302

Totals (Memorandum only)		
Other	2001	2000
\$ 676,191	\$ 678,205	\$ 13,553
160,977	492,914	378,364
470,364	2,142,304	2,076,386
242,470	242,470	326,235
55,479	4,577,506	3,987,209
42,549	64,590	368,070
1,648,030	8,197,989	7,149,817
600,009	600,009	-
53,914	53,914	53,914
-	-	650,000
110,843	340,405	304,334
764,766	994,328	1,008,248
2,412,796	9,192,317	8,158,065
-	626	276
-	-	50
-	973	727
799,145	4,003,351	3,396,402
72	7,699	6,102
19	3,376	3,532
-	2,561	1,770
-	25	-
-	3,007	2,735
75,164	80,644	75,764
8,872	28,189	26,046
49	305,594	269,924
712	1,179,961	1,132,940
-	5,896	8,229
-	536,505	507,863
-	7,236	6,127
32,142	78,275	52,618
-	1,376	3,805
-	26,990	26,726
5,048	5,817	7,181
1,262	140,316	152,804
7,811	7,811	12,877
-	-	461
62,692	62,692	43,225
992,988	6,488,920	5,738,184
650,037	650,037	-
6,064	45,853	36,231
-	85,646	80,757
-	862,132	837,314
460,376	460,376	486,618
81,506	81,506	83,597
387,124	721,677	708,951
319	319	-
1,585,426	2,907,546	2,233,468
2,578,414	9,396,466	7,971,652
(165,618)	(204,149)	186,413
813,251	1,089,430	903,017
\$ 647,633	\$ 885,281	\$ 1,089,430

Federal Grants Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	2001	2000
ASSETS		
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	\$ 217,707	\$ 214,631
Total assets.....	<u>\$ 217,707</u>	<u>\$ 214,631</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 26,840	\$ 54,134
Accounts payable.....	157,413	145,913
Accrued payroll.....	6,234	5,830
Unearned federal revenue.....	18,966	-
Total liabilities.....	<u>209,453</u>	<u>205,877</u>
Fund balance:		
Designated for specific purpose.....	8,254	8,754
Total fund balance (deficit).....	<u>8,254</u>	<u>8,754</u>
Total liabilities and fund balance.....	<u>\$ 217,707</u>	<u>\$ 214,631</u>

Federal Grants Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 1,449,784	\$ 1,360,064
Miscellaneous.....	47	43
Total revenues.....	1,449,831	1,360,107
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	1,449,831	1,360,107
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Judiciary.....	626	276
Governor and Lieutenant Governor.....	-	50
Secretary of the Commonwealth.....	973	727
Treasurer and Receiver-General.....	2,305	1,321
Attorney General.....	7,627	6,060
District Attorney.....	3,357	3,520
Sheriff's Departments.....	2,561	1,770
Disabled Persons Protection Commission.....	25	-
Board of Library Commissioners.....	3,007	2,735
Administration and finance.....	5,381	5,013
Environmental affairs.....	19,317	18,625
Communities and development.....	305,545	269,796
Health and human services.....	281,388	269,130
Transportation and construction.....	5,896	8,229
Education.....	536,505	507,863
Higher education.....	7,236	6,127
Public safety.....	46,133	33,260
Economic development.....	1,376	3,805
Elder affairs.....	26,990	26,726
Consumer affairs.....	769	1,178
Labor.....	124,421	136,552
Total expenditures.....	1,381,438	1,302,763
Other financing uses:		
Fringe benefit cost assessment.....	35,743	28,594
Operating transfers out.....	33,150	31,087
Total other financing uses.....	68,893	59,681
Total expenditures and other financing uses.....	1,450,331	1,362,444
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(500)	(2,337)
Fund balance (deficit) at beginning of year.....	8,754	11,091
Fund balance (deficit) at end of year.....	\$ 8,254	\$ 8,754

State Lottery Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 843	\$ 16,056
Receivables, net of allowance for uncollectibles:		
Other receivables.....	<u>1,953</u>	<u>1,831</u>
Total assets.....	<u>\$ 2,796</u>	<u>\$ 17,887</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	<u>\$ 14,704</u>	<u>\$ 16,932</u>
Total liabilities.....	<u>14,704</u>	<u>16,932</u>
Fund balance:		
Designated for specific purpose.....	<u>(11,908)</u>	<u>955</u>
Total fund balance (deficit).....	<u>(11,908)</u>	<u>955</u>
Total liabilities and fund balance.....	<u>\$ 2,796</u>	<u>\$ 17,887</u>

State Lottery Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Taxes.....	\$ 2,014	\$ 2,103
Departmental.....	3,877,738	3,642,934
Miscellaneous.....	5,297	5,320
Total revenues.....	<u>3,885,049</u>	<u>3,650,357</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>3,885,049</u>	<u>3,650,357</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Treasurer and Receiver-General.....	2,990,820	2,777,849
Total expenditures.....	<u>2,990,820</u>	<u>2,777,849</u>
Other financing uses:		
Fringe benefit cost assessment.....	3,687	2,538
Lottery operating reimbursements	70,449	65,808
Lottery distributions.....	783,518	758,700
Operating transfers out.....	49,438	44,507
Total other financing uses.....	<u>907,092</u>	<u>871,553</u>
Total expenditures and other financing uses.....	<u>3,897,912</u>	<u>3,649,402</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(12,863)	955
Fund balance (deficit) at beginning of year.....	955	-
Fund balance (deficit) at end of year.....	<u>\$ (11,908)</u>	<u>\$ 955</u>

Arts Lottery Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 7,527	\$ 9,568
Receivables, net of allowance for uncollectibles:		
Other receivables.....	<u>1,959</u>	<u>2,179</u>
Total assets.....	<u>\$ 9,486</u>	<u>\$ 11,747</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	<u>\$ 9,486</u>	<u>\$ 11,747</u>
Total liabilities.....	<u>9,486</u>	<u>11,747</u>
Fund balance:		
Designated for specific purpose.....	<u>-</u>	<u>-</u>
Total fund balance.....	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 9,486</u>	<u>\$ 11,747</u>

Arts Lottery Fund

Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001

(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Departmental.....	\$ 253,819	\$ 262,612
Miscellaneous.....	1,635	1,792
Total revenues.....	<u>255,454</u>	<u>264,404</u>
Other financing sources:		
Operating Transfer In.....	49,438	44,507
Total other financing sources.....	<u>49,438</u>	<u>44,507</u>
Total revenues and other financing sources.....	<u>304,892</u>	<u>308,911</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Treasurer and Receiver-General.....	211,081	215,348
Total expenditures.....	<u>211,081</u>	<u>215,348</u>
Other financing uses:		
Lottery operating reimbursements	15,197	14,949
Lottery distributions.....	78,614	78,614
Total other financing uses.....	<u>93,811</u>	<u>93,563</u>
Total expenditures and other financing uses.....	<u>304,892</u>	<u>308,911</u>
Excess of revenues and other financing sources over expenditures and other financing uses.....	-	-
Fund balance at beginning of year.....	-	-
Fund balance at end of year.....	<u>\$ -</u>	<u>\$ -</u>

Uncompensated Care Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 104,297	\$ 117,319
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	27,500	42,404
Other receivables.....	27,500	42,404
Total assets.....	<u>\$ 159,297</u>	<u>\$ 202,127</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 59,871	\$ 89,640
Total liabilities.....	<u>59,871</u>	<u>89,640</u>
Fund balance:		
Designated for specific purpose.....	99,426	112,487
Total fund balance (deficit).....	99,426	112,487
Total liabilities and fund balance.....	<u>\$ 159,297</u>	<u>\$ 202,127</u>

Uncompensated Care Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Assessments.....	\$ 331,770	\$ 360,077
Federal grants and reimbursements.....	222,156	218,573
Departmental.....	341,889	327,706
Miscellaneous.....	7,985	8,106
Total revenues.....	<u>903,800</u>	<u>914,462</u>
Other financing sources:		
Operating transfers in.....	180,124	148,818
Total other financing sources.....	<u>180,124</u>	<u>148,818</u>
Total revenues and other financing sources.....	<u>1,083,924</u>	<u>1,063,280</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Health and human services.....	897,861	863,155
Total expenditures.....	<u>897,861</u>	<u>863,155</u>
Other financing uses:		
Operating transfers out.....	199,124	195,818
Total other financing uses.....	<u>199,124</u>	<u>195,818</u>
Total expenditures and other financing uses.....	<u>1,096,985</u>	<u>1,058,973</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(13,061)	4,307
Fund balance (deficit) at beginning of year.....	112,487	108,180
Fund balance (deficit) at end of year.....	<u>\$ 99,426</u>	<u>\$ 112,487</u>

Labor Shortage Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 1,466	\$ 1,225
Total assets.....	<u>\$ 1,466</u>	<u>\$ 1,225</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	1,466	1,225
Total fund balance (deficit).....	<u>1,466</u>	<u>1,225</u>
Total liabilities and fund balance.....	<u>\$ 1,466</u>	<u>\$ 1,225</u>

Labor Shortage Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Assessments.....	\$ 167	\$ -
Miscellaneous.....	74	67
Total revenues.....	<u>241</u>	<u>67</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>241</u>	<u>67</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Higher education.....	-	-
Total expenditures.....	-	-
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	241	67
Fund balance (deficit) at beginning of year.....	1,225	1,158
Fund balance (deficit) at end of year.....	<u>\$ 1,466</u>	<u>\$ 1,225</u>

Medical Security Trust Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 141,007	\$ 153,159
Total assets.....	<u>\$ 141,007</u>	<u>\$ 153,159</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 549	\$ 348
Accrued payroll.....	<u>48</u>	<u>53</u>
Total liabilities.....	<u>597</u>	<u>401</u>
Fund balance:		
Designated for specific purpose.....	<u>140,410</u>	<u>152,758</u>
Total fund balance (deficit).....	<u>140,410</u>	<u>152,758</u>
Total liabilities and fund balance.....	<u>\$ 141,007</u>	<u>\$ 153,159</u>

Medical Security Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Departmental.....	\$ 48,581	\$ 48,313
Miscellaneous.....	7,003	6,903
Total revenues.....	<u>55,584</u>	<u>55,216</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>55,584</u>	<u>55,216</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Administration and finance.....	99	135
Labor.....	14,633	16,252
Total expenditures.....	<u>14,732</u>	<u>16,387</u>
Other financing uses:		
Fringe benefit cost assessment.....	359	291
Operating transfers out.....	52,841	87
Total other financing uses.....	<u>53,200</u>	<u>378</u>
Total expenditures and other financing uses.....	<u>67,932</u>	<u>16,765</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(12,348)	38,451
Fund balance (deficit) at beginning of year.....	152,758	114,307
Fund balance (deficit) at end of year.....	<u>\$ 140,410</u>	<u>\$ 152,758</u>

Department of Telecommunication and Energy Trust Fund
Balance Sheet - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 581	\$ 817
Total assets.....	<u>\$ 581</u>	<u>\$ 817</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 369	\$ 180
Accrued payroll.....	<u>33</u>	<u>29</u>
Total liabilities.....	<u>402</u>	<u>209</u>
Fund balance:		
Designated for specific purpose.....	<u>179</u>	<u>608</u>
Total fund balance (deficit).....	<u>179</u>	<u>608</u>
Total liabilities and fund balance.....	<u>\$ 581</u>	<u>\$ 817</u>

Department of Telecommunication and Energy Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Assessments.....	\$ 2,337	\$ 1,930
Total revenues.....	<u>2,337</u>	<u>1,930</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>2,337</u>	<u>1,930</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Consumer affairs.....	2,452	2,116
Total expenditures.....	<u>2,452</u>	<u>2,116</u>
Other financing uses:		
Fringe benefit cost assessment.....	312	145
Operating transfers out.....	2	5
Total other financing uses.....	<u>314</u>	<u>150</u>
Total expenditures and other financing uses.....	<u>2,766</u>	<u>2,266</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(429)	(336)
Fund balance (deficit) at beginning of year.....	608	944
Fund balance (deficit) at end of year.....	<u>\$ 179</u>	<u>\$ 608</u>

Liability Management and Reduction Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 2,352	\$ 1,450
Total assets.....	<u>\$ 2,352</u>	<u>\$ 1,450</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 764	\$ 405
Accrued payroll.....	<u>2</u>	<u>-</u>
Total liabilities.....	<u>766</u>	<u>405</u>
Fund balance:		
Designated for specific purpose.....	<u>1,586</u>	<u>1,045</u>
Total fund balance (deficit).....	<u>1,586</u>	<u>1,045</u>
Total liabilities and fund balance.....	<u>\$ 2,352</u>	<u>\$ 1,450</u>

Liability Management and Reduction Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Departmental.....	\$ 2,118	\$ 1,486
Miscellaneous.....	79	68
Total revenues.....	<u>2,197</u>	<u>1,554</u>
Other financing sources:		
Operating transfers in.....	<u>2,000</u>	<u>2,000</u>
Total other financing sources.....	<u>2,000</u>	<u>2,000</u>
Total revenues and other financing sources.....	<u>4,197</u>	<u>3,554</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Attorney General.....	72	42
Administration and finance.....	<u>3,572</u>	<u>2,684</u>
Total expenditures.....	<u>3,644</u>	<u>2,726</u>
Other financing uses:		
Fringe benefit cost assessment.....	<u>12</u>	<u>-</u>
Total other financing uses.....	<u>12</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>3,656</u>	<u>2,726</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	541	828
Fund balance (deficit) at beginning of year.....	<u>1,045</u>	<u>217</u>
Fund balance (deficit) at end of year.....	<u>\$ 1,586</u>	<u>\$ 1,045</u>

Debt Defeasance Trust Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 7,465	\$ 657,374
Total assets.....	<u>\$ 7,465</u>	<u>\$ 657,374</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Reserved fund balance:		
Reserved for debt defeasance.....	-	650,000
Reserved for capital projects.....	7,465	7,374
Total fund balance (deficit).....	<u>7,465</u>	<u>657,374</u>
Total liabilities and fund balance.....	<u>\$ 7,465</u>	<u>\$ 657,374</u>

Debt Defeasance Trust Fund

Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001

(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Miscellaneous.....	\$ 128	\$ 369
Total revenues.....	128	369
Other financing sources:		
Debt defeasance trust transfer.....	-	650,000
Total other financing sources.....	-	650,000
Total revenues and other financing sources.....	128	650,369
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Treasurer and receiver - general.....	-	-
Total expenditures.....	-	-
Other financing uses:		
Payments to refunded bond escrow agent.....	650,037	401,884
Total other financing uses.....	650,037	-
Total expenditures and other financing uses.....	650,037	401,884
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(649,909)	248,485
Fund balance (deficit) at beginning of year.....	657,374	408,889
Fund balance (deficit) at end of year.....	\$ 7,465	\$ 657,374

Health Care Security Trust Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 424,943	\$ 247,199
Total assets.....	<u>\$ 424,943</u>	<u>\$ 247,199</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 73	\$ -
Total liabilities.....	<u>73</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	424,870	247,199
Total fund balance (deficit).....	<u>424,870</u>	<u>247,199</u>
Total liabilities and fund balance.....	<u>\$ 424,943</u>	<u>\$ 247,199</u>

Health Care Security Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Tobacco settlement revenue.....	\$ 242,470	\$ 326,235
Miscellaneous.....	16,780	4,561
Total revenues.....	<u>259,250</u>	<u>330,796</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>259,250</u>	<u>330,796</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Health and human services	73	-
Total expenditures.....	<u>73</u>	<u>-</u>
Other financing uses:		
Tobacco settlement transfer.....	81,506	83,597
Total other financing uses.....	81,506	83,597
Total expenditures and other financing uses.....	<u>81,579</u>	<u>83,597</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	177,671	247,199
Fund balance (deficit) at beginning of year.....	247,199	-
Fund balance (deficit) at end of year.....	<u>\$ 424,870</u>	<u>\$ 247,199</u>

Civil Monetary Penalty Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 342	\$ 97
Total assets.....	<u>\$ 342</u>	<u>\$ 97</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	342	97
Total fund balance (deficit).....	<u>342</u>	<u>97</u>
Total liabilities and fund balance.....	<u>\$ 342</u>	<u>\$ 97</u>

Civil Monetary Penalty Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Departmental.....	\$ 245	\$ 97
Total revenues.....	<u>245</u>	<u>97</u>
Other financing sources:		
Operating transfers in.....	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>245</u>	<u>97</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Health and human services.....	<u>-</u>	<u>-</u>
Total expenditures.....	<u>-</u>	<u>-</u>
Other financing uses:		
Operating transfers out.....	<u>-</u>	<u>-</u>
Total other financing uses.....	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	245	97
Fund balance (deficit) at beginning of year.....	<u>97</u>	<u>-</u>
Fund balance (deficit) at end of year.....	<u><u>\$ 342</u></u>	<u><u>\$ 97</u></u>

MBTA State and Local Contribution Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 63,818	\$ -
Total assets.....	<u>\$ 63,818</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 63,818	\$ -
Total liabilities.....	<u>63,818</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	-	-
Total fund balance (deficit).....	-	-
Total liabilities and fund balance.....	<u>\$ 63,818</u>	<u>\$ -</u>

MBTA State and Local Contribution Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Taxes.....	\$ 654,591	\$ -
Assessment.....	144,554	-
Total revenues.....	<u>799,145</u>	<u>-</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>799,145</u>	<u>-</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Treasurer and Receiver-General.....	799,145	
Total expenditures.....	<u>799,145</u>	<u>-</u>
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	<u>799,145</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-
Fund balance (deficit) at beginning of year.....	-	-
Fund balance (deficit) at end of year.....	<u>\$ -</u>	<u>\$ -</u>

Catastrophic Illness in Children Relief Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 2,703	\$ -
Total assets.....	<u>\$ 2,703</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 3	\$ -
Total liabilities.....	<u>3</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	2,700	-
Total fund balance (deficit).....	<u>2,700</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 2,703</u>	<u>\$ -</u>

Catastrophic Illness in Children Relief Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Miscellaneous.....	\$ 17	\$ -
Total revenues.....	<u>17</u>	<u>-</u>
Other financing sources:		
Operating transfers in.....	<u>2,746</u>	<u>-</u>
Total other financing sources.....	<u>2,746</u>	<u>-</u>
Total revenues and other financing sources.....	<u>2,763</u>	<u>-</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Health and human services.....	<u>63</u>	<u>-</u>
Total expenditures.....	<u>63</u>	<u>-</u>
Other financing uses:		
Operating transfers out.....	<u>-</u>	<u>-</u>
Total other financing uses.....	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>63</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	2,700	-
Fund balance (deficit) at beginning of year.....	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year.....	<u>\$ 2,700</u>	<u>\$ -</u>

MBTA Infrastructure Renovation Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 70,608	\$ 66,613
Total assets.....	<u>\$ 70,608</u>	<u>\$ 66,613</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	70,608	66,613
Total fund balance (deficit).....	<u>70,608</u>	<u>66,613</u>
Total liabilities and fund balance.....	<u>\$ 70,608</u>	<u>\$ 66,613</u>

MBTA Infrastructure Renovation Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Miscellaneous.....	\$ 3,995	\$ -
Total revenues.....	3,995	-
Other financing sources:		
Operating transfers in.....	-	66,613
Total other financing sources.....	-	66,613
Total revenues and other financing sources.....	3,995	66,613
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Transportation and construction.....	-	-
Total expenditures.....	-	-
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	3,995	66,613
Fund balance (deficit) at beginning of year.....	66,613	-
Fund balance (deficit) at end of year.....	\$ 70,608	\$ 66,613

Community Preservation Trust Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 15,861	\$ -
Total assets.....	<u>\$ 15,861</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 30	\$ -
Total liabilities.....	<u>30</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	15,831	-
Total fund balance (deficit).....	<u>15,831</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 15,861</u>	<u>\$ -</u>

Community Preservation Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Taxes.....	\$ 15,989	\$ -
Total revenues.....	<u>15,989</u>	<u>-</u>
Other financing sources:		
Operating transfers in.....	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>15,989</u>	<u>-</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Administration and Finance.....	<u>129</u>	<u>-</u>
Total expenditures.....	<u>129</u>	<u>-</u>
Other financing uses:		
Fringe benefit cost assessment	<u>29</u>	<u>-</u>
Total other financing uses.....	<u>29</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>158</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	15,831	-
Fund balance (deficit) at beginning of year.....	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of year.....	<u>\$ 15,831</u>	<u>\$ -</u>

Health Insurance Portability and Accountability Act Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 20,000	\$ -
Total assets.....	<u>\$ 20,000</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	20,000	-
Total fund balance (deficit).....	<u>20,000</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 20,000</u>	<u>\$ -</u>

Health Insurance Portability and Accountability Act Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Miscellaneous.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Operating transfers in.....	20,000	-
Total other financing sources.....	20,000	-
Total revenues and other financing sources.....	20,000	-
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Health and human service.....	-	-
Total expenditures.....	-	-
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	20,000	-
Fund balance (deficit) at beginning of year.....	-	-
Fund balance (deficit) at end of year.....	\$ 20,000	\$ -

Government Land Bank Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 35,097	\$ 35,097
Total liabilities.....	<u>35,097</u>	<u>35,097</u>
Fund balance(deficit):		
Designated for specific purpose.....	(35,097)	(35,097)
Total fund balance (deficit).....	<u>(35,097)</u>	<u>(35,097)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Government Land Bank Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Departmental.....	\$ 220	\$ 191
Total revenues.....	<u>220</u>	<u>191</u>
Other financing sources:		
Operating transfers in.....	<u>1,272</u>	<u>789</u>
Total other financing sources.....	<u>1,272</u>	<u>789</u>
Total revenues and other financing sources.....	<u>1,492</u>	<u>980</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Debt service:		
Principal retirement.....	-	350
Interest and fiscal charges.....	<u>1,295</u>	<u>630</u>
Total expenditures.....	<u>1,295</u>	<u>980</u>
Other financing uses:		
Transfer for capital projects due to debt defeasance.....	<u>197</u>	<u>-</u>
Total other financing uses.....	<u>197</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>1,492</u>	<u>980</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-
Fund balance (deficit) at beginning of year.....	<u>(35,097)</u>	<u>(35,097)</u>
Fund balance (deficit) at end of year.....	<u>\$ (35,097)</u>	<u>\$ (35,097)</u>

Federally-Assisted Housing Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	-	-
Total fund balance (deficit).....	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Federally-Assisted Housing Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Departmental.....	\$ 126	\$ 136
Total revenues.....	<u>126</u>	<u>136</u>
Other financing sources:		
Operating transfers in.....	<u>9</u>	<u>-</u>
Total other financing sources.....	<u>9</u>	<u>-</u>
Total revenues and other financing sources.....	<u>135</u>	<u>136</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Debt service:		
Principal retirement.....	-	111
Interest and fiscal charges.....	<u>13</u>	<u>25</u>
Total expenditures.....	<u>13</u>	<u>136</u>
Other financing uses:		
Transfer for capital projects due to debt defeasance.....	<u>122</u>	<u>-</u>
Total other financing uses.....	<u>122</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>135</u>	<u>136</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	-
Fund balance (deficit) at beginning of year.....	-	-
Fund balance (deficit) at end of year.....	<u>\$ -</u>	<u>\$ -</u>

Oil Overcharge Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 8,046	\$ 8,140
Total assets.....	<u>\$ 8,046</u>	<u>\$ 8,140</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 119	\$ 250
Accrued payroll.....	22	27
Total liabilities.....	<u>141</u>	<u>277</u>
Fund balance:		
Designated for specific purpose.....	7,905	7,863
Total fund balance (deficit).....	7,905	7,863
Total liabilities and fund balance.....	<u>\$ 8,046</u>	<u>\$ 8,140</u>

Oil Overcharge Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 6	\$ 6
Miscellaneous.....	1,410	1,278
Total revenues.....	1,416	1,284
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	1,416	1,284
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Communities and development.....	49	128
Public safety.....	15	15
Consumer affairs.....	1,139	2,350
Total expenditures.....	1,203	2,493
Other financing uses:		
Fringe benefit cost assessment.....	168	142
Operating transfers out.....	3	14
Total other financing uses.....	171	156
Total expenditures and other financing uses.....	1,374	2,649
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	42	(1,365)
Fund balance (deficit) at beginning of year.....	7,863	9,228
Fund balance (deficit) at end of year.....	\$ 7,905	\$ 7,863

Environmental Trust Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 6,381	\$ 5,775
Total assets.....	<u>\$ 6,381</u>	<u>\$ 5,775</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 335	\$ 181
Accrued payroll.....	4	3
Total liabilities.....	<u>339</u>	<u>184</u>
Fund balance:		
Designated for specific purpose.....	6,042	5,591
Total fund balance (deficit).....	<u>6,042</u>	<u>5,591</u>
Total liabilities and fund balance.....	<u>\$ 6,381</u>	<u>\$ 5,775</u>

Environmental Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Departmental.....	\$ 2,084	\$ 1,546
Miscellaneous.....	278	255
Total revenues.....	<u>2,362</u>	<u>1,801</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>2,362</u>	<u>1,801</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Environmental affairs.....	1,672	1,114
Public safety.....	151	126
Total expenditures.....	<u>1,823</u>	<u>1,240</u>
Other financing uses:		
Fringe benefit cost assessment.....	29	4
Operating transfers out.....	59	31
Total other financing uses.....	88	35
Total expenditures and other financing uses.....	<u>1,911</u>	<u>1,275</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	451	526
Fund balance (deficit) at beginning of year.....	5,591	5,065
Fund balance (deficit) at end of year.....	<u>\$ 6,042</u>	<u>\$ 5,591</u>

Children's Trust Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 317	\$ 379
Total assets.....	<u>\$ 317</u>	<u>\$ 379</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 6	\$ 21
Accrued payroll.....	<u>2</u>	<u>-</u>
Total liabilities.....	<u>8</u>	<u>21</u>
Fund balance:		
Designated for specific purpose.....	<u>309</u>	<u>358</u>
Total fund balance (deficit).....	<u>309</u>	<u>358</u>
Total liabilities and fund balance.....	<u>\$ 317</u>	<u>\$ 379</u>

Children's Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Miscellaneous.....	\$ 13	\$ 61
Total revenues.....	<u>13</u>	<u>61</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>13</u>	<u>61</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Health and human services.....	43	41
Total expenditures.....	<u>43</u>	<u>41</u>
Other financing uses:		
Fringe benefit cost assessment.....	3	-
Operating transfers out.....	16	3
Total other financing uses.....	<u>19</u>	<u>3</u>
Total expenditures and other financing uses.....	<u>62</u>	<u>44</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(49)	17
Fund balance (deficit) at beginning of year.....	358	341
Fund balance (deficit) at end of year.....	<u>\$ 309</u>	<u>\$ 358</u>

Child Support Enforcement Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 2,160	\$ 2,185
Due from federal government.....	695	358
Total assets.....	<u>\$ 2,855</u>	<u>\$ 2,543</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,659	\$ 1,332
Accrued payroll.....	74	81
Total liabilities.....	<u>1,733</u>	<u>1,413</u>
Fund balance:		
Designated for specific purpose.....	1,122	1,130
Total fund balance (deficit).....	<u>1,122</u>	<u>1,130</u>
Total liabilities and fund balance.....	<u>\$ 2,855</u>	<u>\$ 2,543</u>

Child Support Enforcement Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 9,982	\$ 11,125
Departmental.....	34	35
Miscellaneous.....	-	50
Total revenues.....	<u>10,016</u>	<u>11,210</u>
Other financing sources:		
Other sources.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>10,016</u>	<u>11,210</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
District Attorney.....	19	12
Administration and finance.....	9,748	8,982
Public Safety.....	5	-
Total expenditures.....	<u>9,772</u>	<u>8,994</u>
Other financing uses:		
Fringe benefit cost assessment.....	194	167
Operating transfers out.....	58	65
Total other financing uses.....	<u>252</u>	<u>232</u>
Total expenditures and other financing uses.....	<u>10,024</u>	<u>9,226</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(8)	1,984
Fund balance (deficit) at beginning of year.....	1,130	(854)
Fund balance (deficit) at end of year.....	<u>\$ 1,122</u>	<u>\$ 1,130</u>

Department of Industrial Accidents Special Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 10,469	\$ 12,727
Total assets.....	<u>\$ 10,469</u>	<u>\$ 12,727</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 403	\$ 1
Total liabilities.....	<u>403</u>	<u>1</u>
Fund balance:		
Designated for specific purpose.....	10,066	12,726
Total fund balance (deficit).....	<u>10,066</u>	<u>12,726</u>
Total liabilities and fund balance.....	<u>\$ 10,469</u>	<u>\$ 12,727</u>

Department of Industrial Accidents Special Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Assessments.....	\$ 14,086	\$ 16,357
Departmental.....	5,252	4,833
Miscellaneous.....	933	960
Total revenues.....	<u>20,271</u>	<u>22,150</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>20,271</u>	<u>22,150</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Labor.....	1,262	-
Total expenditures.....	<u>1,262</u>	<u>-</u>
Other financing uses:		
Fringe benefit cost assessment.....	3,798	3,104
Operating transfers out.....	17,871	18,105
Total other financing uses.....	<u>21,669</u>	<u>21,209</u>
Total expenditures and other financing uses.....	<u>22,931</u>	<u>21,209</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(2,660)	941
Fund balance (deficit) at beginning of year.....	12,726	11,785
Fund balance (deficit) at end of year.....	<u>\$ 10,066</u>	<u>\$ 12,726</u>

County Correction Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 2,048	\$ 4,273
Receivables, net of allowance for uncollectibles:		
Taxes.....	434	409
Total assets.....	<u>\$ 2,482</u>	<u>\$ 4,682</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	2,482	4,682
Total fund balance (deficit).....	<u>2,482</u>	<u>4,682</u>
Total liabilities and fund balance.....	<u>\$ 2,482</u>	<u>\$ 4,682</u>

County Correction Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Taxes.....	\$ 5,611	\$ 11,450
Total revenues.....	<u>5,611</u>	<u>11,450</u>
Other financing sources:		
Operating transfers in.....	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>5,611</u>	<u>11,450</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Direct local aid.....	<u>7,811</u>	<u>12,877</u>
Total expenditures.....	<u>7,811</u>	<u>12,877</u>
Other financing uses:		
Operating transfers out.....	<u>-</u>	<u>-</u>
Total other financing uses.....	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>7,811</u>	<u>12,877</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(2,200)	(1,427)
Fund balance (deficit) at beginning of year.....	<u>4,682</u>	<u>6,109</u>
Fund balance (deficit) at end of year.....	<u>\$ 2,482</u>	<u>\$ 4,682</u>

Massachusetts AIDS Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 200	\$ 446
Total assets.....	<u>\$ 200</u>	<u>\$ 446</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	<u>57</u>	<u>80</u>
Total liabilities.....	<u>57</u>	<u>80</u>
Fund balance:		
Designated for specific purpose.....	<u>143</u>	<u>366</u>
Total fund balance (deficit).....	<u>143</u>	<u>366</u>
Total liabilities and fund balance.....	<u>\$ 200</u>	<u>\$ 446</u>

Massachusetts AIDS Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Miscellaneous.....	\$ 184	\$ 196
Total revenues.....	<u>184</u>	<u>196</u>
Other financing sources:		
Operating transfers in.....	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>184</u>	<u>196</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Health and human services.....	<u>407</u>	<u>464</u>
Total expenditures.....	<u>407</u>	<u>464</u>
Other financing uses:		
Operating transfers out.....	<u>-</u>	<u>-</u>
Total other financing uses.....	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>407</u>	<u>464</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(223)	(268)
Fund balance (deficit) at beginning of year.....	<u>366</u>	<u>634</u>
Fund balance (deficit) at end of year.....	<u>\$ 143</u>	<u>\$ 366</u>

Board Of Registration In Medicine Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts In Thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 113	\$ 296
Total assets.....	<u>\$ 113</u>	<u>\$ 296</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 92	\$ 276
Accrued payroll.....	<u>21</u>	<u>20</u>
Total liabilities.....	<u>113</u>	<u>296</u>
Fund balance:		
Designated for specific purpose.....	<u>-</u>	<u>-</u>
Total fund balance (deficit).....	<u>-</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 113</u>	<u>\$ 296</u>

Board Of Registration In Medicine Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Departmental.....	\$ 1,916	\$ 1,708
Total revenues.....	<u>1,916</u>	<u>1,708</u>
Other financing sources:		
Operating transfers in.....	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>1,916</u>	<u>1,708</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Consumer affairs.....	<u>1,457</u>	<u>1,537</u>
Total expenditures.....	<u>1,457</u>	<u>1,537</u>
Other financing uses:		
Fringe benefit cost assessment.....	166	115
Operating transfers out.....	<u>293</u>	<u>151</u>
Total other financing uses.....	<u>459</u>	<u>266</u>
Total expenditures and other financing uses.....	<u>1,916</u>	<u>1,803</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	-	(95)
Fund balance (deficit) at beginning of year.....	<u>-</u>	<u>95</u>
Fund balance (deficit) at end of year.....	<u>\$ -</u>	<u>\$ -</u>

Water Pollution Abatement Projects Administration Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 622	\$ 1,288
Total assets.....	<u>\$ 622</u>	<u>\$ 1,288</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 415	\$ 304
Accrued payroll.....	<u>109</u>	<u>132</u>
Total liabilities.....	<u>524</u>	<u>436</u>
Fund balance:		
Designated for specific purpose.....	<u>98</u>	<u>852</u>
Total fund balance (deficit).....	<u>98</u>	<u>852</u>
Total liabilities and fund balance.....	<u>\$ 622</u>	<u>\$ 1,288</u>

Water Pollution Abatement Projects Administration Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Miscellaneous.....	\$ 6,472	\$ 6,546
Total revenues.....	6,472	6,546
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	6,472	6,546
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Environmental affairs.....	5,117	4,717
Total expenditures.....	5,117	4,717
Other financing uses:		
Fringe benefit cost assessment.....	912	776
Operating transfers out.....	1,197	624
Total other financing uses.....	2,109	1,400
Total expenditures and other financing uses.....	7,226	6,117
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(754)	429
Fund balance (deficit) at beginning of year.....	852	423
Fund balance (deficit) at end of year.....	\$ 98	\$ 852

Commonwealth Sewer Rate Relief Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 1,903	\$ 9,704
Total assets.....	<u>\$ 1,903</u>	<u>\$ 9,704</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balance:		
Designated for specific purpose.....	1,903	9,704
Total fund balance (deficit).....	<u>1,903</u>	<u>9,704</u>
Total liabilities and fund balance.....	<u>\$ 1,903</u>	<u>\$ 9,704</u>

Commonwealth Sewer Rate Relief Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	<u>-</u>	<u>-</u>
Other financing sources:		
Sewer rate relief.....	53,914	53,914
Total other financing sources.....	<u>53,914</u>	<u>53,914</u>
Total revenues and other financing sources.....	<u>53,914</u>	<u>53,914</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Administration and finance.....	61,715	58,949
Total expenditures.....	<u>61,715</u>	<u>58,949</u>
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>61,715</u>	<u>58,949</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(7,801)	(5,035)
Fund balance (deficit) at beginning of year.....	9,704	14,739
Fund balance (deficit) at end of year.....	<u>\$ 1,903</u>	<u>\$ 9,704</u>

Motor Vehicle Safety Inspection Trust Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 14,505	\$ 8,161
Accounts payable.....	858	1,277
Accrued payroll.....	92	60
Total liabilities.....	<u>15,455</u>	<u>9,498</u>
Fund balance (deficit):		
Designated for specific purpose.....	<u>(15,455)</u>	<u>(9,498)</u>
Total fund balance (deficit).....	<u>(15,455)</u>	<u>(9,498)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Motor Vehicle Safety Inspection Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Departmental.....	\$ 43,213	\$ 21,640
Total revenues.....	43,213	21,640
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	43,213	21,640
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Administration and finance.....	-	1
Environmental affairs.....	2,083	1,590
Public safety.....	31,971	19,217
Total expenditures.....	34,054	20,808
Other financing uses:		
Fringe benefit cost assessment.....	441	355
Operating transfers out.....	14,675	10,935
Total other financing uses.....	15,116	11,290
Total expenditures and other financing uses.....	49,170	32,098
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(5,957)	(10,458)
Fund balance (deficit) at beginning of year.....	(9,498)	960
Fund balance (deficit) at end of year.....	\$ (15,455)	\$ (9,498)

Child Care Quality Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 442	\$ 315
Total assets.....	<u>\$ 442</u>	<u>\$ 315</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 90	\$ 108
Total liabilities.....	<u>90</u>	<u>108</u>
Fund balance:		
Designated for specific purpose.....	352	207
Total fund balance (deficit).....	<u>352</u>	<u>207</u>
Total liabilities and fund balance.....	<u>\$ 442</u>	<u>\$ 315</u>

Child Care Quality Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Departmental.....	\$ 271	\$ 207
Total revenues.....	<u>271</u>	<u>207</u>
Other financing sources:		
Operating transfers in.....	<u>-</u>	<u>-</u>
Total other financing sources.....	<u>-</u>	<u>-</u>
Total revenues and other financing sources.....	<u>271</u>	<u>207</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Health and human services.....	<u>126</u>	<u>150</u>
Total expenditures.....	<u>126</u>	<u>150</u>
Other financing uses:		
Fringe benefit cost assessment.....	<u>-</u>	<u>-</u>
Total other financing uses.....	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>126</u>	<u>150</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	145	57
Fund balance (deficit) at beginning of year.....	<u>207</u>	<u>150</u>
Fund balance (deficit) at end of year.....	<u>\$ 352</u>	<u>\$ 207</u>

Grant Anticipation Note Trust Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 40,930	\$ -
Cash with fiscal agent.....	83,252	49,973
Receivables, net of allowance for uncollectibles:		
Due from federal government.....	<u>77,206</u>	<u>84,834</u>
Total assets.....	<u>\$ 201,388</u>	<u>\$ 134,807</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ 208,542
Due to other funds.....	<u>77,206</u>	<u>84,834</u>
Total liabilities.....	<u>77,206</u>	<u>293,376</u>
Fund balance (deficit):		
Reserved fund balance:		
Reserved for debt service.....	83,252	49,973
Unreserved fund balance (deficit):		
Designated for specific purpose.....	<u>40,930</u>	<u>(208,542)</u>
Total fund balance (deficit).....	<u>124,182</u>	<u>(158,569)</u>
Total liabilities and fund balance.....	<u>\$ 201,388</u>	<u>\$ 134,807</u>

Grant Anticipation Note Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 460,376	\$ 486,618
Miscellaneous.....	12,260	5,260
Total revenues.....	472,636	491,878
Other financing sources:		
Proceeds of grant anticipation notes.....	600,009	-
Operating transfers in.....	84,816	41,607
Total other financing sources.....	684,825	41,607
Total revenues and other financing sources.....	1,157,461	533,485
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Debt service:		
Interest and fiscal charges.....	61,384	42,570
Total expenditures.....	61,384	42,570
Other financing uses:		
Federal reimbursement transfers out.....	460,376	486,618
Operating transfers out.....	352,950	407,519
Total other financing uses.....	813,326	894,137
Total expenditures and other financing uses.....	874,710	936,707
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	282,751	(403,222)
Fund balance (deficit) at beginning of year.....	(158,569)	244,653
Fund balance (deficit) at end of year.....	\$ 124,182	\$ (158,569)

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources used to acquire or construct major capital assets of the Commonwealth and to finance local governmental capital projects.

General Capital Projects Fund - to account for proceeds of bonds sold to fund the construction or acquisition of capital assets for general Commonwealth purposes, excluding highway construction and projects targeted for specific localities or purposes.

Capital Investment Trust Fund – to account for a transfer from the General Fund to finance appropriated items of a capital nature pursuant to sections 2E and 107 of Chapter 88 of the Acts of 1997.

Convention and Exhibition Center Capital Fund -to account for proceeds of bonds to finance the construction of a convention center in Boston.

Capital Improvements and Investment Trust Fund - to account for the Commonwealth's reimbursement to cities and towns for expenses incurred for projects for construction and reconstruction of town and county ways.

Capital Expenditure Reserve Fund - to account for amounts paid by the Massachusetts Turnpike Authority as payment toward the acquisition cost of the Third Harbor Tunnel and Federal financial participation money related to expenditure amounts paid by Massachusetts Port Authority as determined by a feasibility study; used to pay principal and interest on certain bonds, related notes or direct capital expenditures.

Highway Capital Projects Fund – to account for the proceeds of bonds sold to finance construction of state highways and to fund the Commonwealth's share of Federally sponsored highway construction.

Federal Highway Construction Program Capital Projects Fund - to account for federal highway construction grants which, with the Commonwealth's required share of matching funds, finance interstate highways and similar projects within Massachusetts to promote a nationwide highway system.

Central Artery and Statewide Road and Bridge Infrastructure Fund - to account for bond proceeds, certain revenues from Registry of Motor Vehicle fees, (net of debt service expenditures) and payments from authorities. The purpose of expenditures of the fund is to meet the estimated additional costs associated with the Central Artery/Ted Williams Tunnel Project and for costs of the statewide road and bridge program. As promulgated in Chapters 87 and 125 (sections 7 through 10) of the Acts of 2000, this fund also receives and expends interest revenue and receives and expends savings from the defeasance of debt that occurred during FY01.

Capital Needs Investment Trust Fund – to account for the activities promulgated in Chapter 159 of the Acts of 2000 (the General Appropriation Act,) Section 357. The fund accounts for certain transferred portions of tax revenues during FY01 through FY05 to the following funds and purposes: to the Affordable Housing Trust Fund, to the Department of Education for virtual education space, for its information management system and for technological purposes and curriculum development and finally, for the rehabilitation and reuse of mental health, mental retardation facilities and other capital needs of the Commonwealth. The fund expires as of June 30, 2005 with any remaining balance transferred to the Stabilization Fund.

LOCAL AID FUNDS:

The Comptroller in Fiscal Year 2000 eliminated six capital projects funds set up by the Comptroller under Chapter 7A of the General Laws. The activity in these funds has become immaterial and has been consolidated into one fund. The former six funds are the Lockup Facilities Improvements, County Correctional Facilities, State Recreational Areas, Metropolitan Parks, Suffolk County Jail Facility and Local Infrastructure Capital Projects Funds. In addition, the Water Pollution Control Capital Projects Fund is consolidated for FY01.

Local Capital Project Fund - to account for the proceeds of bonds sold to finance the construction of correctional facilities, water pollution abatement projects and other local projects in specific localities of the Commonwealth. The fund accounts for the proceeds of bonds to finance

improvements to lockup facilities, state police lockup facilities and to finance improvements to County Correctional Facilities, and other monies received by Department of Environmental Management pertaining to state parks, reservations and recreation areas outside the metropolitan parks district; used for purposes of state parks, reservations and recreation areas outside the metropolitan parks district.

OTHER FUNDS:

These funds account for the proceeds of bonds used to to finance land and transportation equipment for economic development.

Government Land Bank Capital Projects Fund - to account for proceeds of bonds used to finance the acquisition, holding, protection, maintenance, repair or use of lands and for personnel and the administrative costs of the Massachusetts Development Finance Agency.

Intercity Bus Capital Assistance Capital Projects Fund - to account for proceeds of bonds used for the acquisition and leasing of inter-city coaches and for planning and other relevant costs.

Capital Projects Funds
Combining Balance Sheet - Statutory Basis

June 30, 2001 and 2000
(Amounts in thousands)

	General	Capital Investment Trust	Convention and Exhibition Center	Capital Improvements and Investment Trust	Capital Expenditure Reserve	Highway
ASSETS						
Cash and short-term investments.....	\$ 1,108	\$ 5,119	\$ 135,664	\$ 121,632	\$ -	\$ -
Due from other funds.....	-	-	-	-	-	-
Total assets.....	<u>\$ 1,108</u>	<u>\$ 5,119</u>	<u>\$ 135,664</u>	<u>\$ 121,632</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Deficiency in cash and short-term investments.....	\$ -	\$ -	\$ -	\$ -	\$ 138,589	\$ 615,512
Accounts payable.....	105,084	1,267	27,634	13,499	4,828	88,423
Accrued payroll.....	298	-	-	-	10	1,429
Bonds and notes payable.....	-	-	260,000	-	-	-
Total liabilities.....	<u>105,382</u>	<u>1,267</u>	<u>287,634</u>	<u>13,499</u>	<u>143,427</u>	<u>705,364</u>
Fund balance (deficits):						
Reserved fund balance:						
Reserved for capital projects.....	-	3,852	-	108,133	-	-
Unreserved:						
Undesignated.....	<u>(104,274)</u>	<u>-</u>	<u>(151,970)</u>	<u>-</u>	<u>(143,427)</u>	<u>(705,364)</u>
Total fund balance (deficits).....	<u>(104,274)</u>	<u>3,852</u>	<u>(151,970)</u>	<u>108,133</u>	<u>(143,427)</u>	<u>(705,364)</u>
Total liabilities and fund balances.....	<u>\$ 1,108</u>	<u>\$ 5,119</u>	<u>\$ 135,664</u>	<u>\$ 121,632</u>	<u>\$ -</u>	<u>\$ -</u>

Federal Highway Construction	Central Artery Statewide Road & Bridge Infrastructure	Capital Needs Investment Trust	Government Land Bank	Intercity Bus Assistance	Local Capital Project Fund	Totals (Memorandum only)	
						2001	2000
\$ 88,143	\$ 1,681,490	\$ 18,229	\$ -	\$ -	\$ 1,304	\$ 2,052,689	\$ 397,706
76,936	-	-	-	-	-	76,936	84,693
<u>\$ 165,079</u>	<u>\$ 1,681,490</u>	<u>\$ 18,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,304</u>	<u>\$ 2,129,625</u>	<u>\$ 482,399</u>
\$ -	\$ -	\$ -	\$ -	3,531	\$ -	\$ 757,632	\$ 416,050
164,791	44,118	2,212	6,300	-	5,081	463,237	549,592
545	-	-	-	-	23	2,305	2,315
-	-	-	-	-	-	260,000	-
<u>165,336</u>	<u>44,118</u>	<u>2,212</u>	<u>6,300</u>	<u>3,531</u>	<u>5,104</u>	<u>1,483,174</u>	<u>967,957</u>
-	1,637,372	16,017	-	-	-	1,765,374	224,295
(257)	-	-	(6,300)	(3,531)	(3,800)	(1,118,923)	(709,853)
(257)	1,637,372	16,017	(6,300)	(3,531)	(3,800)	646,451	(485,558)
<u>\$ 165,079</u>	<u>\$ 1,681,490</u>	<u>\$ 18,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,304</u>	<u>\$ 2,129,625</u>	<u>\$ 482,399</u>

Capital Projects Funds
Combining Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Years Ended June 30, 2001 and 2000
(Amounts in thousands)

	General	Capital Investment Trust	Convention and Exhibition Center	Capital Improvements and Investment Trust	Capital Expenditure Reserve
REVENUES AND OTHER FINANCING SOURCES					
Revenues:					
Federal grants and reimbursements.....	\$ 835	\$ -	\$ -	\$ -	\$ -
Departmental.....	-	-	-	-	-
Payments from authorities.....	-	-	-	-	-
Miscellaneous.....	-	-	-	-	4,795
Total revenues.....	835	-	-	-	4,795
Other financing sources:					
Proceeds of general obligation bonds.....	372,819	-	2,861	-	-
Proceeds of refunding bonds.....	204,961	-	-	-	-
Surplus transfer for capital projects.....	34,462	-	-	-	-
Transfer for capital projects funds.....	-	-	-	-	-
Transfer in due to debt defeasance.....	-	-	-	-	-
Operating transfers in.....	-	-	-	-	-
Transfer for transitional escrow.....	-	-	-	-	-
Federal reimbursement transfer in.....	-	-	-	-	-
State share of federal highway construction.....	-	-	-	-	-
Total other financing sources.....	612,242	-	2,861	-	-
Total revenues and other financing sources.....	613,077	-	2,861	-	4,795
EXPENDITURES AND OTHER FINANCING USES					
Expenditures:					
Legislature.....	151	-	-	1,816	-
Judiciary.....	13,134	2,224	-	-	-
Inspector General.....	143	-	-	-	367
Secretary of the Commonwealth.....	4,330	25	-	550	-
Treasurer and Receiver-General.....	3,341	-	-	-	-
Auditor of the Commonwealth.....	616	-	-	-	-
Attorney General.....	404	-	31	-	-
District Attorney.....	500	-	-	179	-
Office of Campaign & Political Finance.....	500	-	-	-	-
Sheriff's Departments.....	3,128	817	-	-	-
Board of Library Commissioners.....	-	-	-	12,779	-
Comptroller.....	2,326	-	-	6	-
Administration and finance.....	140,234	1,027	124,998	9,595	-
Environmental affairs.....	122,299	1,544	-	9,488	-
Communities and development.....	74,780	-	-	249	-
Health and human services.....	12,399	123	-	3,130	-
Transportation and construction.....	11,557	-	-	51,722	81,569
Education.....	185	-	-	2,087	-
Higher education.....	30,105	16	-	2,862	-
Public safety.....	21,851	181	-	11,777	-
Economic development.....	408	-	-	100	-
Elder affairs.....	-	-	-	-	-
Consumer affairs.....	2,246	-	-	-	-
Labor.....	873	-	-	-	-
Total expenditures.....	445,510	5,957	125,029	106,340	81,936
Other financing uses:					
Payments to refunded bond escrow agent.....	204,961	-	-	-	-
Fringe benefit cost assessment.....	3,570	1	-	12	97
State share of federal highway construction.....	-	-	-	-	-
Operating transfers out.....	20,030	-	-	-	24,035
MBTA forward funding transfer.....	-	-	-	-	-
Transfer for debt defeasance.....	-	-	-	-	-
Total other financing uses.....	228,561	1	-	12	24,132
Total expenditures and other financing uses.....	674,071	5,958	125,029	106,352	106,068
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(60,994)	(5,958)	(122,168)	(106,352)	(101,273)
Fund balances (deficits) at beginning of year.....	(43,280)	9,810	(29,802)	214,485	(42,154)
Fund balances (deficits) at end of year.....	\$ (104,274)	\$ 3,852	\$ (151,970)	\$ 108,133	\$ (143,427)

Highway	Federal Highway Construction	Central Artery Statewide Road & Bridge Infrastructure	Capital Needs Investment Trust	Government Land Bank	Intercity Bus Assistance	Local Capital Project Fund	Totals (Memorandum only)	
							2001	2000
\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,035	\$ 2,529
-	193	-	-	-	-	-	193	114
-	-	265,000	-	-	-	-	265,000	152,438
-	47	59,227	-	-	-	-	64,069	11,085
-	440	324,227	-	-	-	-	330,297	166,166
481,525	-	999,995	-	13,880	-	40,596	1,911,676	1,761,621
729,058	-	-	-	12,155	-	52,555	998,729	-
-	-	-	-	-	-	-	34,462	76,581
-	-	-	-	-	-	-	-	128,977
-	-	624,589	-	-	-	-	624,589	-
404,450	-	67,901	45,000	-	-	-	517,351	564,578
-	-	-	-	-	-	-	-	16,800
-	458,659	-	-	-	-	-	458,659	484,187
-	649,527	-	-	-	-	-	649,527	712,140
1,615,033	1,108,186	1,692,485	45,000	26,035	-	93,151	5,194,993	3,744,884
1,615,033	1,108,626	2,016,712	45,000	26,035	-	93,151	5,525,290	3,911,050
-	-	-	-	-	-	-	1,967	1,125
-	-	-	-	-	-	287	15,645	21,403
32	27	-	-	-	-	-	569	566
-	565	-	-	-	-	-	5,470	8,715
-	-	-	-	-	-	9,113	12,454	325,867
-	-	-	-	-	-	-	616	125
463	414	-	-	-	-	-	1,312	2,887
-	-	-	-	-	-	-	679	2,771
-	-	-	-	-	-	-	500	-
-	-	-	-	-	-	-	3,945	1,153
-	-	-	-	-	-	6,671	19,450	24,650
-	-	-	-	-	-	-	2,332	1,323
620	-	-	296	6,300	-	4,875	287,945	212,449
17,901	1,207	9	-	-	-	11,081	163,529	150,195
-	-	-	-	-	-	1,500	76,529	85,392
76	-	-	298	-	-	151	16,177	17,315
337,067	1,101,467	379,331	-	-	-	-	1,962,713	1,990,613
-	-	-	8,389	-	-	-	10,661	7,449
7	-	-	-	-	-	-	32,990	29,586
8,692	1,312	-	-	-	-	125	43,938	27,176
-	220	-	-	-	-	-	728	3,575
-	-	-	-	-	-	-	-	150
41	-	-	-	-	-	-	2,287	1,505
-	155	-	-	-	-	-	1,028	2,190
364,899	1,105,367	379,340	8,983	6,300	-	33,803	2,663,464	2,918,180
729,058	-	-	-	12,155	-	52,555	998,729	-
9,658	3,490	-	-	-	-	564	17,392	13,139
649,527	-	-	-	-	-	-	649,527	712,140
70	26	-	20,000	-	-	8	64,169	157,212
-	-	-	-	-	-	-	-	612,750
-	-	-	-	-	-	-	-	150,000
1,388,313	3,516	-	20,000	12,155	-	53,127	1,729,817	1,645,241
1,753,212	1,108,883	379,340	28,983	18,455	-	86,930	4,393,281	4,563,421
(138,179)	(257)	1,637,372	16,017	7,580	-	6,221	1,132,009	(652,371)
(567,185)	-	-	-	(13,880)	(3,531)	(10,021)	(485,558)	166,813
\$ (705,364)	\$ (257)	\$ 1,637,372	\$ 16,017	\$ (6,300)	\$ (3,531)	\$ (3,800)	\$ 646,451	\$ (485,558)

General Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 1,108	\$ 66,266
Total assets.....	<u>\$ 1,108</u>	<u>\$ 66,266</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ -
Accounts payable.....	105,084	109,041
Accrued payroll.....	<u>298</u>	<u>505</u>
Total liabilities.....	<u>105,382</u>	<u>109,546</u>
Fund equity:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(104,274)</u>	<u>(43,280)</u>
Total fund balance (deficit)	<u>(104,274)</u>	<u>(43,280)</u>
Total liabilities and fund balance.....	<u>\$ 1,108</u>	<u>\$ 66,266</u>

General Capital Projects Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 835	\$ 2,271
Total revenues.....	835	2,271
Other financing sources:		
Proceeds of general obligation bonds.....	372,819	409,195
Proceeds of refunding bonds.....	204,961	-
Surplus transfer for capital projects.....	34,462	76,581
Transfer for transitional escrow.....	-	16,800
Total other financing sources.....	612,242	502,576
Total revenues and other financing sources.....	613,077	504,847
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Legislature.....	151	135
Judiciary.....	13,134	16,267
Inspector General.....	143	1
Secretary of the Commonwealth.....	4,330	6,546
Treasurer and Receiver-General.....	3,341	144
Auditor of the Commonwealth.....	616	125
Attorney General.....	404	1,720
District Attorney.....	500	509
Office of Campaign and Political Finance.....	500	-
Sheriff's Departments.....	3,128	471
Comptroller.....	2,326	946
Administration and finance.....	140,234	142,016
Environmental affairs.....	122,299	100,838
Communities and development.....	74,780	82,632
Health and human services.....	12,399	10,438
Transportation and construction.....	11,557	13,171
Education.....	185	-
Higher education.....	30,105	20,032
Public safety.....	21,851	15,116
Economic development.....	408	3,174
Elder affairs.....	-	150
Consumer affairs.....	2,246	1,417
Labor.....	873	2,000
Total expenditures.....	445,510	417,848
Other financing uses:		
Payments to refunded bond escrow agent.....	204,961	-
Fringe benefit cost assessment.....	3,570	2,579
Operating transfers out.....	20,030	1,403
Transfer for debt defeasance.....	-	150,000
Total other financing uses.....	228,561	153,982
Total expenditures and other financing uses.....	674,071	571,830
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(60,994)	(66,983)
Fund balance (deficit) at beginning of year.....	(43,280)	23,703
Fund balance (deficit) at end of year.....	\$ (104,274)	\$ (43,280)

Capital Investment Trust Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 5,119	\$ 15,580
Total assets.....	<u>\$ 5,119</u>	<u>\$ 15,580</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 1,267	\$ 5,770
Total liabilities.....	<u>1,267</u>	<u>5,770</u>
Fund balance:		
Reserved fund balance (deficit):		
Reserved for capital projects.....	3,852	9,810
Total fund balance (deficit)	<u>3,852</u>	<u>9,810</u>
Total liabilities and fund balance.....	<u>\$ 5,119</u>	<u>\$ 15,580</u>

Capital Investment Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	-	-
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Judiciary.....	2,224	3,944
Secretary of the Commonwealth.....	25	324
Sheriff's department.....	817	592
Administration and finance.....	1,027	5,680
Environmental affairs.....	1,544	5,217
Communities and development.....	-	4
Health and human services.....	123	3,071
Higher education.....	16	886
Public safety.....	181	1,306
Consumer affairs.....	-	5
Total expenditures.....	5,957	21,029
Other financing uses:		
Fringe benefit cost assessment.....	1	23
Total other financing uses.....	1	23
Total expenditures and other financing uses.....	5,958	21,052
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(5,958)	(21,052)
Fund balance (deficit) at beginning of year.....	9,810	30,862
Fund balance at end of year.....	\$ 3,852	\$ 9,810

Convention and Exhibition Center Capital Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 135,664	\$ -
Total assets.....	<u>\$ 135,664</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ 23,149
Accounts payable.....	27,634	6,653
Bonds and notes payable.....	260,000	-
Total liabilities.....	<u>287,634</u>	<u>29,802</u>
Fund equity:		
Unreserved fund balance (deficit):		
Undesignated.....	(151,970)	(29,802)
Total fund balance (deficit).....	(151,970)	(29,802)
Total liabilities and fund balance.....	<u>\$ 135,664</u>	<u>\$ -</u>

Convention and Exhibition Center Capital Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	2,861	-
Total other financing sources.....	2,861	-
Total revenues and other financing sources.....	2,861	-
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Attorney General.....	31	112
Administration and finance.....	124,998	10,690
Total expenditures.....	125,029	10,802
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	125,029	10,802
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(122,168)	(10,802)
Fund balance (deficit) at beginning of year.....	(29,802)	(19,000)
Fund balance (deficit) at end of year.....	\$ (151,970)	\$ (29,802)

Capital Improvements and Investment Trust Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 121,632	\$ 221,430
Total assets.....	<u>\$ 121,632</u>	<u>\$ 221,430</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 13,499	\$ 6,929
Accrued payroll.....	<u>-</u>	<u>16</u>
Total liabilities.....	<u>13,499</u>	<u>6,945</u>
Fund balance:		
Reserved fund balance (deficit):		
Reserved for capital projects.....	<u>108,133</u>	<u>214,485</u>
Total fund balance (deficit)	<u>108,133</u>	<u>214,485</u>
Total liabilities and fund balance.....	<u>\$ 121,632</u>	<u>\$ 221,430</u>

Capital Improvements and Investment Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Transfer for capital projects funds.....	-	128,977
Total other financing sources.....	-	128,977
Total revenues and other financing sources.....	-	128,977
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Legislature.....	1,816	990
Secretary of commonwealth.....	550	536
Treasurer and Receiver-General.....	-	223
District Attorney.....	179	2,262
Board of Library Commissioners.....	12,779	20,024
Comptroller.....	6	377
Administration and finance.....	9,595	16,255
Environmental affairs.....	9,488	5,918
Communities and development.....	249	877
Health and human services.....	3,130	3,282
Transportation and construction.....	51,722	12
Education.....	2,087	7,449
Higher education.....	2,862	8,668
Public safety.....	11,777	2,379
Economic affairs.....	100	400
Total expenditures.....	106,340	69,652
Other financing uses:		
Fringe benefit cost assessment.....	12	67
Operating transfers out.....	-	1
Total other financing uses.....	12	68
Total expenditures and other financing uses.....	106,352	69,720
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(106,352)	59,257
Fund balance (deficit) at beginning of year.....	214,485	155,228
Fund balance (deficit) at end of year.....	\$ 108,133	\$ 214,485

Capital Expenditure Reserve Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 138,589	\$ 27,324
Accounts payable.....	4,828	14,818
Accrued payroll.....	<u>10</u>	<u>12</u>
Total liabilities.....	<u>143,427</u>	<u>42,154</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(143,427)</u>	<u>(42,154)</u>
Total fund balance (deficit)	<u>(143,427)</u>	<u>(42,154)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Capital Expenditure Reserve Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Payments from authorities.....	\$ -	\$ 152,438
Miscellaneous.....	4,795	11,085
Total revenues.....	4,795	163,523
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	4,795	163,523
E) EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Inspector General.....	367	373
Transportation and construction.....	81,569	324,873
Total expenditures.....	81,936	325,246
Other financing uses:		
Fringe benefit cost assessment.....	97	89
Operating transfers out.....	24,035	155,718
Total other financing uses.....	24,132	155,807
Total expenditures and other financing uses.....	106,068	481,053
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(101,273)	(317,530)
Fund balance (deficit) at beginning of year.....	(42,154)	275,376
Fund balance (deficit) at end of year.....	\$ (143,427)	\$ (42,154)

Highway Capital Projects Fund **Balance Sheet - Statutory Basis**

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ 615,512	\$ 352,666
Accounts payable.....	88,423	213,275
Accrued payroll.....	<u>1,429</u>	<u>1,244</u>
Total liabilities.....	<u>705,364</u>	<u>567,185</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(705,364)</u>	<u>(567,185)</u>
Total fund balance (deficit).....	<u>(705,364)</u>	<u>(567,185)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Highway Capital Projects Fund

Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Miscellaneous.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	481,525	1,259,877
Proceeds of refunding bonds.....	729,058	-
Operating transfers in.....	404,450	563,200
Total other financing sources.....	1,615,033	1,823,077
Total revenues and other financing sources.....	1,615,033	1,823,077
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Inspector General.....	32	109
Treasurer and Receiver-General.....	-	325,000
Attorney General.....	463	237
Administration and finance.....	620	3,353
Environmental affairs.....	17,901	9,474
Health and human services.....	76	524
Transportation and construction.....	337,067	455,204
Higher Education.....	7	-
Public safety.....	8,692	6,199
Consumer affairs.....	41	83
Total expenditures.....	364,899	800,183
Other financing uses:		
Payments to refunded bond escrow agent.....	729,058	-
Fringe benefit cost assessment.....	9,658	7,183
State share of Federal Highway	649,527	712,140
Operating transfers out.....	70	62
MBTA forward funding transfer.....	-	612,750
Total expenditures and other financing uses.....	1,388,313	1,332,135
Total expenditures and other uses.....	1,753,212	2,132,318
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(138,179)	(309,241)
Fund balance (deficit) at beginning of year.....	(567,185)	(257,944)
Fund balance (deficit) at end of year.....	\$ (705,364)	\$ (567,185)

Federal Highway Construction Program Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 88,143	\$ 82,305
Due from other funds.....	<u>76,936</u>	<u>84,693</u>
Total assets.....	<u><u>\$ 165,079</u></u>	<u><u>\$ 166,998</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 164,791	\$ 166,531
Accrued payroll.....	<u>545</u>	<u>467</u>
Total liabilities.....	<u>165,336</u>	<u>166,998</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(257)</u>	<u>-</u>
Total fund balance (deficit).....	<u>(257)</u>	<u>-</u>
Total liabilities and fund balance.....	<u><u>\$ 165,079</u></u>	<u><u>\$ 166,998</u></u>

Federal Highway Construction Program Capital Projects Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ 200	\$ 258
Departmental.....	193	114
Miscellaneous.....	47	-
Total revenues.....	440	372
Other financing sources:		
State share of federal highway construction.....	649,527	712,140
Federal reimbursement transfers in.....	458,659	484,187
Total other financing sources.....	1,108,186	1,196,327
Total revenues and other financing sources.....	1,108,626	1,196,699
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Inspector General.....	27	83
Secretary of the Commonwealth.....	565	68
Attorney General.....	414	799
Administration and finance.....	-	419
Environmental affairs.....	1,207	1,509
Transportation and construction.....	1,101,467	1,189,952
Public safety.....	1,312	913
Economic development.....	220	1
Labor.....	155	190
Total expenditures.....	1,105,367	1,193,934
Other financing uses:		
Fringe benefit cost assessment.....	3,490	2,742
Operating transfers out.....	26	23
Total other financing uses.....	3,516	2,765
Total expenditures and other financing uses.....	1,108,883	1,196,699
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(257)	-
Fund balance (deficit) at beginning of year.....	-	-
Fund balance (deficit) at end of year.....	\$ (257)	\$ -

Central Artery Statewide Road and Bridge Infrastructure Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 1,681,490	\$ -
Total assets.....	<u>\$ 1,681,490</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 44,118	\$ -
Total liabilities.....	<u>44,118</u>	<u>-</u>
Fund equity:		
Reserved fund balance (deficit):		
Reserved for capital projects.....	<u>1,637,372</u>	<u>-</u>
Total fund balance (deficit)	<u>1,637,372</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 1,681,490</u>	<u>\$ -</u>

Central Artery Statewide Road and Bridge Infrastructure Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Miscellaneous.....	\$ 59,227	\$ -
Payments from authorites.....	265,000	-
Total revenues.....	<u>324,227</u>	<u>-</u>
Other financing sources:		
Proceeds of general obligation bonds.....	999,995	-
Operating transfer in.....	67,901	-
Transfer in due to debt defeasance.....	624,589	-
Total other financing sources.....	<u>1,692,485</u>	<u>-</u>
Total revenues and other financing sources.....	<u>2,016,712</u>	<u>-</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Environmental affairs.....	9	-
Transportation and construction.....	379,331	-
Total expenditures.....	<u>379,340</u>	<u>-</u>
Other financing uses:		
Payments to refunded bond escrow agent.....	-	-
Total other financing uses.....	<u>-</u>	<u>-</u>
Total expenditures and other financing uses.....	<u>379,340</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	1,637,372	-
Fund balance (deficit) at beginning of year.....	-	-
Fund balance (deficit) at end of year.....	<u>\$ 1,637,372</u>	<u>\$ -</u>

Capital Needs Investment Trust Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 18,229	\$ -
Total assets.....	<u>\$ 18,229</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 2,212	\$ -
Total liabilities.....	<u>2,212</u>	<u>-</u>
Fund equity:		
Reserved fund balance (deficit):		
Reserved for capital projects.....	<u>16,017</u>	<u>-</u>
Total fund balance (deficit)	<u>16,017</u>	<u>-</u>
Total liabilities and fund balance.....	<u>\$ 18,229</u>	<u>\$ -</u>

Capital Needs Investment Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Miscellaneous.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Operating transfer in.....	45,000	-
Total other financing sources.....	45,000	-
Total revenues and other financing sources.....	45,000	-
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Administration and finance.....	296	-
Health and human services.....	298	-
Education.....	8,389	-
Total expenditures.....	8,983	-
Other financing uses:		
Operating transfers out.....	20,000	-
Total other financing uses.....	20,000	-
Total expenditures and other financing uses.....	28,983	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	16,017	-
Fund balance (deficit) at beginning of year.....	-	-
Fund balance (deficit) at end of year.....	\$ 16,017	\$ -

Government Land Bank Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ 9,380
Accounts payable.....	6,300	4,500
Total liabilities.....	<u>6,300</u>	<u>13,880</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(6,300)</u>	<u>(13,880)</u>
Total fund balance (deficit).....	<u>(6,300)</u>	<u>(13,880)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Government Land Bank Capital Projects Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	13,880	22,620
Proceeds of refunding bonds.....	12,155	-
Total other financing sources.....	26,035	22,620
Total revenues and other financing sources.....	26,035	22,620
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Administration and finance.....	6,300	25,500
Total expenditures.....	6,300	25,500
Other financing uses:		
Payments to refunded bonds escrow.....	12,155	-
Total other financing uses.....	12,155	-
Total expenditures and other financing uses.....	18,455	25,500
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	7,580	(2,880)
Fund balance (deficit) at beginning of year.....	(13,880)	(11,000)
Fund balance (deficit) at end of year.....	\$ (6,300)	\$ (13,880)

Intercity Bus Capital Assistance Capital Projects Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ -	\$ -
Total assets.....	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deficiency in cash and short-term investments.....	<u>\$ 3,531</u>	<u>\$ 3,531</u>
Total liabilities.....	<u>3,531</u>	<u>3,531</u>
Fund balance:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(3,531)</u>	<u>(3,531)</u>
Total fund balance (deficit).....	<u>(3,531)</u>	<u>(3,531)</u>
Total liabilities and fund balance.....	<u>\$ -</u>	<u>\$ -</u>

Intercity Bus Capital Assistance Capital Projects Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Departmental.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	-	2,466
Operating transfers in.....	-	1,378
Total other financing sources.....	-	3,844
Total revenues and other financing sources.....	-	3,844
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Transportation and construction.....	-	7,375
Total expenditures.....	-	7,375
Other financing uses:		
Fringe benefit cost assessment.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	-	7,375
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	(3,531)
Fund balance (deficit) at beginning of year.....	(3,531)	-
Fund balance (deficit) at end of year.....	\$ (3,531)	\$ (3,531)

Local Capital Project Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 1,304	\$ 12,125
Total assets.....	<u>\$ 1,304</u>	<u>\$ 12,125</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 5,081	\$ 22,075
Accrued payroll.....	<u>23</u>	<u>71</u>
Total liabilities.....	<u>5,104</u>	<u>22,146</u>
Fund equity:		
Unreserved fund balance (deficit):		
Undesignated.....	<u>(3,800)</u>	<u>(10,021)</u>
Total fund balance (deficit)	<u>(3,800)</u>	<u>(10,021)</u>
Total liabilities and fund balance.....	<u>\$ 1,304</u>	<u>\$ 12,125</u>

Local Capital Project Fund
Statement Of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Federal grants and reimbursements.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Proceeds of general obligation bonds.....	40,596	67,463
Proceeds of refunding bonds.....	52,555	-
Total other financing sources.....	93,151	67,463
Total revenues and other financing sources.....	93,151	67,463
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Judiciary.....	287	1,192
Secretary of the Commonwealth.....	-	1,241
Treasurer and Receiver-General.....	9,113	500
Attorney General.....	-	19
Sheriff's Departments.....	-	90
Board of Library Commissioner.....	6,671	4,626
Administration and finance.....	4,875	8,536
Environmental affairs.....	11,081	27,239
Communities and development.....	1,500	1,879
Health and human services.....	151	-
Transportation and construction.....	-	26
Public safety.....	125	1,263
Total expenditures.....	33,803	46,611
Other financing uses:		
Payments to refunded bond escrow agent.....	52,555	-
Fringe benefit cost assessment.....	564	456
Operating transfers out.....	8	5
Total other financing uses.....	53,127	461
Total expenditures and other financing uses.....	86,930	47,072
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	6,221	20,391
Fund balance (deficit) at beginning of year.....	(10,021)	(30,412)
Fund balance (deficit) at end of year.....	\$ (3,800)	\$ (10,021)



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Fiduciary Fund Types

The Fiduciary Funds are used to account for assets held by the Commonwealth in a trustee capacity or as an agent for individuals, private organizations or other governments. The funds include Expendable and Non – Expendable Trust Funds, Pension Funds, as well as Agency Funds.

EXPENDABLE TRUST FUNDS:

Expendable Trust Fund – to account for various gifts, bequests or contributions held by the Commonwealth of which both principal and interest may be expended for purposes designated by the donor.

Revolving Loan Fund – to account for Federal grants, investment and interest income to be expended for loans to non-profit private entities to establish housing for individuals recovering from alcohol or drug abuse and for loans to local housing authorities.

Teacher, Principal, Superintendent Quality Endowment Fund – to account for funds to be paid to an incoming school employee signing bonus program to be administered by the Department of Education for the purpose of encouraging the best and brightest candidates to serve in public schools.

Unemployment Compensation Fund – to account for unemployment taxes collected from employers, held by the United States Treasury in the Federal Unemployment Trust Fund, from which funds are drawn for the payment of benefits to the unemployed.

NONEXPENDABLE TRUST FUNDS:

Nonexpendable Trust Fund – to account for various gifts and bequests held by the Commonwealth, of which only the income may be expended for purposes specified by the donor.

PENSION TRUST FUNDS:

Pension Trust Funds – to account for the assets, liabilities and fund balances held in trust by the State Employees', State Teachers' Retirement Systems and the State – Boston Retirement System for the payment of retirement, disability and death benefits to members of these retirement systems.

AGENCY FUNDS:

Agency Funds – to account for cash, investments held or managed by the Commonwealth on behalf of others. These include the investments made by cities, towns and local authorities in the Municipal Depository Trust, employees' contributions to the deferred compensation plan, annuity contracts held for lottery prize winners, local option taxes collected but not yet remitted, assets held in escrow accounts by the Commonwealth's court system and human service departments, child support payments collected or receivable and not yet remitted to custodial parents, and deposits required from insurance companies and similar organizations.

All Governmental Fund Types And Expendable Trust Funds
Combined Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

Fiscal Years Ended June 30, 2001 and 2000
(Amounts in thousands)

	Governmental Fund Types		
	Budgeted	Non-Budgeted Special Revenue	Capital Projects
REVENUES AND OTHER FINANCING SOURCES			
Revenues:			
Taxes.....	\$ 16,074,655	\$ 678,205	\$ -
Assessments.....	92,503	492,914	-
Federal grants and reimbursements.....	3,974,158	2,142,304	1,035
Tobacco settlement revenue.....	-	242,470	-
Departmental.....	1,162,839	4,577,506	193
Payments from authorities.....	-	-	265,000
Miscellaneous.....	285,016	64,590	64,069
Total revenues.....	21,589,171	8,197,989	330,297
Other financing sources:			
Proceeds of general obligation bonds.....	-	-	1,911,676
Proceeds of grant anticipation notes.....	-	600,009	-
Proceeds of refunding bonds.....	-	-	998,729
Fringe benefit cost recovery.....	196,238	-	-
Lottery reimbursements.....	85,646	-	-
Lottery distributions.....	862,132	-	-
Transfer for MBTA contract assistance.....	-	-	-
MBTA forward funding transfer.....	-	-	-
Sewer rate relief.....	-	53,914	-
Caseload mitigation.....	2,021	-	-
Surplus transfer for capital projects.....	-	-	34,462
Transfer for capital projects funds.....	-	-	-
Debt defeasance trust transfer.....	-	-	-
Transfer in due to debt defeasance.....	-	-	624,589
Tobacco settlement transfer.....	81,506	-	-
Operating transfers in.....	322,272	340,405	517,351
Collective bargaining reserve.....	-	-	-
Transfer for transitional escrow.....	579,215	-	-
Stabilization transfer.....	51,693	-	-
Fund deficit elimination.....	-	-	-
Federal reimbursement transfer in.....	1,717	-	458,659
Transfer for tax reduction.....	25,930	-	-
State share of federal highway construction.....	-	-	649,527
Other sources.....	-	-	-
Total other financing sources.....	2,208,370	994,328	5,194,993
Total revenues and other financing sources.....	23,797,541	9,192,317	5,525,290
EXPENDITURES AND OTHER FINANCING USES			
Expenditures:			
Legislature.....	55,536	-	1,967
Judiciary.....	588,065	626	15,645
Inspector General.....	2,454	-	569
Governor and Lieutenant Governor.....	5,981	-	-
Secretary of the Commonwealth.....	43,431	973	5,470
Treasurer and Receiver-General.....	135,906	4,003,351	12,454
Auditor of the Commonwealth.....	15,458	-	616
Attorney General.....	33,722	7,699	1,312
Ethics Commission.....	1,542	-	-
District Attorney.....	80,792	3,376	679
Office of Campaign & Political Finance.....	1,079	-	500
Sheriff's Departments.....	196,799	2,561	3,945
Disabled Persons Protection Commission.....	1,673	25	-
Board of Library Commissioners.....	7,714	3,007	19,450
Comptroller.....	8,182	-	2,332
Administration and finance.....	1,266,694	80,644	287,945
Environmental affairs.....	234,642	28,189	163,529
Communities and development.....	140,841	305,594	76,529
Health and human services.....	4,219,092	1,179,961	16,177
Transportation and construction.....	199,938	5,896	1,962,713
Education.....	385,403	536,505	10,661
Higher education.....	1,102,258	7,236	32,990
Public safety.....	873,560	78,275	43,938
Economic development.....	51,310	1,376	728
Elder affairs.....	214,036	26,990	-

Fiduciary Fund Type		Totals (Memorandum Only)	
Expendable Trust	2001	2000	
\$ 894,161	\$ 17,647,021	\$ 16,564,012	
82	585,499	487,524	
41,253	6,158,750	5,755,946	
-	242,470	326,235	
19,250	5,759,788	5,103,378	
-	265,000	152,438	
332,645	746,320	948,492	
1,287,391	31,404,848	29,338,025	
-	1,911,676	1,761,621	
-	600,009	-	
-	998,729	-	
-	196,238	124,303	
-	85,646	125,264	
-	862,132	837,314	
-	-	154,430	
-	-	612,750	
-	53,914	53,914	
-	2,021	22,091	
-	34,462	76,581	
-	-	128,977	
-	-	650,000	
-	624,589	-	
-	81,506	83,597	
24,249	1,204,277	1,114,835	
-	-	54,168	
-	579,215	92,000	
-	51,693	114,871	
-	-	2,979,782	
-	460,376	486,618	
-	25,930	-	
-	649,527	712,140	
400	400	1,058	
24,649	8,422,340	10,186,314	
1,312,040	39,827,188	39,524,339	
-	57,503	53,057	
192	604,528	569,765	
-	3,023	2,995	
-	5,981	5,564	
74	49,948	50,045	
-	4,151,711	3,838,962	
202	16,276	15,241	
2,093	44,826	38,631	
-	1,542	1,425	
4,513	89,360	81,902	
-	1,579	887	
14	203,319	175,601	
-	1,698	1,558	
-	30,171	34,646	
-	10,514	8,941	
6,066	1,641,349	1,530,028	
14,538	440,898	406,891	
23,822	546,786	495,294	
26,461	5,441,691	5,145,084	
519	2,169,066	3,359,463	
6,620	939,189	876,627	
2,109	1,144,593	1,031,898	
2,460	998,233	906,741	
312	53,726	43,197	
18	241,044	216,671	

All Governmental Fund Types And Expendable Trust Funds
Combined Statements Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis
Fiscal Years Ended June 30, 2001 and 2000
(Amounts in thousands)

	Governmental Fund Types		
	Budgeted	Non-Budgeted Special Revenue	Capital Projects
Expenditures (continued):			
Consumer affairs.....	51,127	5,817	2,287
Labor.....	53,843	140,316	1,028
Direct local aid.....	4,969,440	7,811	-
Medicaid.....	4,642,342	-	-
Pension.....	1,040,121	-	-
Debt service:			
Principal retirement.....	128,426	-	-
Interest and fiscal charges.....	547,513	62,692	-
Total expenditures.....	21,298,920	6,488,920	2,663,464
Other financing uses:			
Payments to refunded bond escrow agent.....	-	650,037	998,729
Fringe benefit cost assessment.....	72,496	45,853	17,392
Lottery operating reimbursements.....	-	85,646	-
Lottery distributions.....	-	862,132	-
Transfer for MBTA contract assistance.....	-	-	-
Federal reimbursement transfer out.....	-	460,376	-
State share of federal highway construction.....	-	-	649,527
Tobacco settlement transfer.....	-	81,506	-
Operating transfers out.....	329,044	721,677	64,169
MBTA forward funding transfer.....	-	-	-
Sewer rate relief.....	53,914	-	-
Collective bargaining reserve.....	-	-	-
Caseload mitigation.....	2,021	-	-
Transfer for capital projects funds.....	-	-	-
Surplus transfer for capital projects.....	34,462	-	-
Stabilization transfer.....	51,693	-	-
Fund deficit elimination.....	-	-	-
Transfer for transitional escrow.....	579,215	-	-
Transfer for debt defeasance.....	-	-	-
Transfer for capital projects due to debt defeasance.....	624,270	319	-
Transfer for tax reduction.....	25,930	-	-
Total other financing uses.....	1,773,045	2,907,546	1,729,817
Total expenditures and other financing uses.....	23,071,965	9,396,466	4,393,281
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	725,576	(204,149)	1,132,009
Fund balances (deficits) at beginning of year.....	2,285,441	1,089,430	(485,558)
Fund balances at end of year.....	\$ 3,011,017	\$ 885,281	\$ 646,451

See notes to combined financial statements - statutory basis.

Fiduciary Fund Type	Totals (Memorandum Only)	
Expendable Trust	2001	2000
14,358	73,589	68,822
986,207	1,181,394	1,112,013
-	4,977,251	4,686,819
-	4,642,342	4,269,990
-	1,040,121	986,303
-	128,426	671,464
-	610,205	565,551
1,090,578	31,541,882	31,252,076
-	1,648,766	-
4,121	139,862	76,320
-	85,646	125,264
-	862,132	837,314
-	-	154,430
-	460,376	486,618
-	649,527	712,140
-	81,506	83,597
87,572	1,202,462	1,106,272
-	-	612,750
-	53,914	53,914
-	-	54,168
-	2,021	22,091
-	-	128,977
-	34,462	76,581
-	51,693	114,871
-	-	2,979,782
-	579,215	92,000
-	-	650,000
-	624,589	-
-	25,930	-
91,693	6,502,101	8,367,089
1,182,271	38,043,983	39,619,165
129,769	1,783,205	(94,826)
2,318,874	5,208,187	5,303,013
\$ 2,448,643	\$ 6,991,392	\$ 5,208,187

Fiduciary Fund Types
Combining Balance Sheet - Statutory Basis

June 30, 2001 and 2000
(Amounts in thousands)

ASSETS	Expendable Trust Funds	Nonexpendable Trust Funds	Pension Trust Funds
Cash and short-term investments.....	\$ 306,042	\$ 5,834	\$ 879,346
Cash on deposit with U.S. Treasury.....	2,171,193	-	-
Investments.....	-	-	29,279,535
Assets held in trust.....	-	-	-
Due from federal government.....	60	-	-
Other receivables, net of allowance for uncollectibles.....	-	-	355,745
Other assets.....	-	-	21,456
	<hr/>	<hr/>	<hr/>
Total assets.....	\$ 2,477,295	\$ 5,834	\$ 30,536,082
	<hr/>	<hr/>	<hr/>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable.....	23,375	\$ -	\$ 2,027,161
Accrued payroll.....	352	-	-
Agency liabilities.....	4,925	-	-
Due to cities and towns.....	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities.....	28,652	-	2,027,161
	<hr/>	<hr/>	<hr/>
Fund balances:			
Reserved for:			
Employees' pension benefits.....	-	-	28,508,921
Unemployment benefits.....	2,171,253	-	-
Unreserved:			
Designated for specific purpose.....	277,390	5,834	-
	<hr/>	<hr/>	<hr/>
Total fund balances.....	2,448,643	5,834	28,508,921
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances.....	\$ 2,477,295	\$ 5,834	\$ 30,536,082
	<hr/>	<hr/>	<hr/>

Agency Funds	Totals (Memorandum only)	
	2001	2000
\$ 266,691	\$ 1,457,913	\$ 1,598,863
-	2,171,193	2,050,556
-	29,279,535	31,280,296
2,244,064	2,244,064	2,076,313
-	60	
-	355,745	382,656
-	21,456	11,357
<u>\$ 2,510,755</u>	<u>\$ 35,529,966</u>	<u>\$ 37,400,041</u>
\$ 32,103	\$ 2,082,639	\$ 2,211,983
-	352	290
2,445,823	2,450,748	2,278,570
32,829	32,829	42,586
<u>2,510,755</u>	<u>4,566,568</u>	<u>4,533,429</u>
-	28,508,921	30,541,904
-	2,171,253	2,050,556
-	283,224	274,152
-	30,963,398	32,866,612
<u>\$ 2,510,755</u>	<u>\$ 35,529,966</u>	<u>\$ 37,400,041</u>

Expendable Trust Funds
Combining Balance Sheet - Statutory Basis

June 30, 2001 and 2000
(Amounts in thousands)

			Totals (Memorandum only)	
	Expendable Trusts	Unemployment Compensation Trust	2001	2000
ASSETS				
Cash and short-term investments.....	\$ 306,042	\$ -	\$ 306,042	\$ 298,712
Cash on deposit with U.S. Treasury.....	-	2,171,193	2,171,193	2,050,556
Due from the federal government.....	-	60	60	-
Total assets.....	<u>\$ 306,042</u>	<u>\$ 2,171,253</u>	<u>\$ 2,477,295</u>	<u>\$ 2,349,268</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable.....	\$ 23,375	\$ -	\$ 23,375	\$ 23,555
Accrued payroll.....	352	-	352	290
Agency liabilities.....	<u>4,925</u>	<u>-</u>	<u>4,925</u>	<u>6,549</u>
Total liabilities.....	<u>28,652</u>	<u>-</u>	<u>28,652</u>	<u>30,394</u>
Fund balances:				
Reserved for:				
Unemployment benefits.....	-	2,171,253	2,171,253	2,050,556
Designated for specific purpose.....	<u>277,390</u>	<u>-</u>	<u>277,390</u>	<u>268,318</u>
Total fund balances.....	<u>277,390</u>	<u>2,171,253</u>	<u>2,448,643</u>	<u>2,318,874</u>
Total liabilities and fund balances.....	<u>\$ 306,042</u>	<u>\$ 2,171,253</u>	<u>\$ 2,477,295</u>	<u>\$ 2,349,268</u>

Expendable Trust Funds

Combining Statements Of Revenues, Expenses And Changes In Fund Balances - Statutory Basis

Fiscal Years Ended June 30, 2001 and 2000
(Amounts in thousands)

			Totals (Memorandum only)	
	Expendable Trusts	Unemployment Compensation Trust	2001	2000
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ -	\$ 894,161	\$ 894,161	\$ 861,843
Assessments.....	82	-	82	86
Federal grants and reimbursements.....	20,738	20,515	41,253	31,481
Departmental.....	6,554	12,696	19,250	19,667
Miscellaneous.....	195,649	136,996	332,645	299,458
Total revenues.....	223,023	1,064,368	1,287,391	1,212,535
Other financing sources:				
Operating transfers in.....	24,249	-	24,249	20,529
Other sources.....	400	-	400	1,058
Total other financing sources.....	24,649	-	24,649	21,587
Total revenues and other financing sources.....	247,672	1,064,368	1,312,040	1,234,122
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Judiciary.....	192	-	192	241
Secretary of the Commonwealth.....	74	-	74	59
Treasurer and Receiver-General.....	-	-	-	1,212
Auditor of the Commonwealth.....	202	-	202	242
Attorney General.....	2,093	-	2,093	1,635
District Attorney.....	4,513	-	4,513	3,448
Sheriff's Departments.....	14	-	14	9
Administration and finance.....	6,066	-	6,066	5,305
Environmental affairs.....	14,538	-	14,538	12,293
Communities and development.....	23,822	-	23,822	1,880
Health and human services.....	26,461	-	26,461	20,936
Transportation and construction.....	519	-	519	548
Education.....	6,620	-	6,620	4,139
Higher education.....	2,109	-	2,109	153
Public safety.....	2,460	-	2,460	2,159
Economic development.....	312	-	312	366
Elder affairs.....	18	-	18	35
Consumer affairs.....	14,358	-	14,358	13,843
Labor.....	42,536	943,671	986,207	901,419
Total expenditures.....	146,907	943,671	1,090,578	969,922
Other financing uses:				
Fringe benefit cost assessment.....	4,121	-	4,121	3,034
Operating transfers out.....	87,572	-	87,572	63,014
Total other financing uses.....	91,693	-	91,693	66,048
Total expenditures and other financing uses.....	238,600	943,671	1,182,271	1,035,970
Excess and other financing sources over expenditures and other financing uses.....	9,072	120,697	129,769	198,152
Fund balances at beginning of year.....	268,318	2,050,556	2,318,874	2,120,722
Fund balances at end of year.....	\$ 277,390	\$ 2,171,253	\$ 2,448,643	\$ 2,318,874

Expendable Trust Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 224,137	\$ 215,327
Total assets.....	<u>\$ 224,137</u>	<u>\$ 215,327</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ 22,049	\$ 23,034
Accrued payroll.....	341	284
Agency liabilities.....	<u>4,925</u>	<u>6,549</u>
Total liabilities.....	<u>27,315</u>	<u>29,867</u>
Fund balances:		
Unreserved for:		
Designated for specific purpose.....	<u>196,822</u>	<u>185,460</u>
Total fund balances (deficit).....	<u>196,822</u>	<u>185,460</u>
Total liabilities and fund balances.....	<u>\$ 224,137</u>	<u>\$ 215,327</u>

Expendable Trust Fund
Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Assessments.....	\$ 82	\$ 86
Federal grants and reimbursements.....	20,738	14,366
Departmental.....	6,554	6,809
Miscellaneous.....	191,670	169,341
Total revenues.....	219,044	190,602
Other financing sources:		
Operating transfers in.....	24,249	10,529
Other sources.....	42	43
Total other financing sources.....	24,291	10,572
Total revenues and other financing sources.....	243,335	201,174
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Judiciary.....	192	241
Secretary of the Commonwealth.....	74	59
Treasurer and Receiver-General.....	-	1,212
Auditor of the Commonwealth.....	202	242
Attorney General.....	2,093	1,635
District Attorney.....	4,513	3,448
Sheriff's Departments.....	14	9
Administration and finance.....	6,066	5,305
Environmental affairs.....	14,538	12,293
Communities and development.....	22,019	1,877
Health and human services.....	26,461	20,936
Transportation and construction.....	519	548
Education.....	1,906	1,905
Higher education.....	2,109	153
Public safety.....	2,460	2,159
Economic development.....	312	366
Elder affairs.....	18	35
Consumer affairs.....	14,358	13,843
Labor.....	42,536	49,723
Total expenditures.....	140,390	115,989
Other financing uses:		
Fringe benefit cost assessment.....	4,055	3,007
Operating transfers out.....	87,528	62,978
Total other financing uses.....	91,583	65,985
Total expenditures and other financing uses.....	231,973	181,974
Excess (deficiency) of revenues and other financing source: over expenditures and other financing uses.....	11,362	19,200
Fund balances (deficit) at beginning of year.....	185,460	166,260
Fund balances (deficit) at end of year.....	\$ 196,822	\$ 185,460

Revolving Loan Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 7,764	\$ 9,092
Total assets.....	<u>\$ 7,764</u>	<u>\$ 9,092</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balances:		
Reserved for:		
Designated for specific purpose.....	<u>7,764</u>	<u>9,092</u>
Total fund balances (deficit).....	<u>7,764</u>	<u>9,092</u>
Total liabilities and fund balances.....	<u>\$ 7,764</u>	<u>\$ 9,092</u>

Revolving Loan Fund
Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Miscellaneous.....	\$ 117	\$ 106
Total revenues.....	117	106
Other financing sources:		
Other sources.....	358	1,015
Total other financing sources.....	358	1,015
Total revenues and other financing sources.....	475	1,121
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Communities and development.....	1,803	3
Total expenditures.....	1,803	3
Other financing uses:		
Operating transfers out.....	-	1
Total other financing uses.....	-	1
Total expenditures and other financing uses.....	1,803	4
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(1,328)	1,117
Fund balances (deficit) at beginning of year.....	9,092	7,975
Fund balances (deficit) at end of year.....	\$ 7,764	\$ 9,092

Teacher, Principal, Superintendent Quality Endowment Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 74,141	\$ 74,293
Total assets.....	<u>\$ 74,141</u>	<u>\$ 74,293</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ 1,326	\$ 521
Accrued payroll.....	<u>11</u>	<u>6</u>
Total liabilities.....	<u>1,337</u>	<u>527</u>
Fund balances:		
Reserved for:		
Designated for specific purpose.....	<u>72,804</u>	<u>73,766</u>
Total fund balances (deficit).....	<u>72,804</u>	<u>73,766</u>
Total liabilities and fund balances.....	<u>\$ 74,141</u>	<u>\$ 74,293</u>

Teacher, Principal, Superintendent Quality Endowment Fund
Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Miscellaneous.....	\$ 3,862	\$ 3,648
Total revenues.....	<u>3,862</u>	<u>3,648</u>
Other financing sources:		
Operating transfers in.....	-	10,000
Total other financing sources.....	<u>-</u>	<u>10,000</u>
Total revenues and other financing sources.....	<u>3,862</u>	<u>13,648</u>
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Education.....	4,714	2,234
Total expenditures.....	<u>4,714</u>	<u>2,234</u>
Fringe benefit cost assessment.....	66	27
Operating transfers out.....	44	35
Total other financing uses.....	<u>110</u>	<u>62</u>
Total expenditures and other financing uses.....	<u>4,824</u>	<u>2,296</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	(962)	11,352
Fund balances (deficit) at beginning of year.....	73,766	62,414
Fund balances (deficit) at end of year.....	<u>\$ 72,804</u>	<u>\$ 73,766</u>

Unemployment Compensation Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash on deposit with U.S. Treasury.....	\$ 2,171,193	\$ 2,050,556
Due from federal government.....	<u>60</u>	<u>-</u>
Total assets.....	<u>\$ 2,171,253</u>	<u>\$ 2,050,556</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balances:		
Reserved for:		
Unemployment benefits.....	<u>2,171,253</u>	<u>2,050,556</u>
Total fund balances (deficit).....	<u>2,171,253</u>	<u>2,050,556</u>
Total liabilities and fund balances.....	<u>\$ 2,171,253</u>	<u>\$ 2,050,556</u>

Unemployment Compensation Fund
Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

June 30, 2001
(Amounts in thousands)

	2001	2000
REVENUES AND OTHER FINANCING SOURCES		
Revenues:		
Taxes.....	\$ 894,161	\$ 861,843
Federal grants and reimbursements.....	20,515	17,115
Departmental.....	12,696	12,858
Miscellaneous.....	136,996	126,363
Total revenues.....	1,064,368	1,018,179
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	1,064,368	1,018,179
EXPENDITURES AND OTHER FINANCING USES		
Expenditures:		
Labor.....	943,671	851,696
Total expenditures.....	943,671	851,696
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	943,671	851,696
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	120,697	166,483
Fund balances (deficit) at beginning of year.....	2,050,556	1,884,073
Fund balances (deficit) at end of year.....	\$ 2,171,253	\$ 2,050,556

Nonexpendable Trust Fund
Balance Sheet - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
ASSETS		
Cash and short-term investments.....	\$ 5,834	\$ 5,834
Total assets.....	<u>\$ 5,834</u>	<u>\$ 5,834</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balances:		
Designated for specific purpose.....	<u>5,834</u>	<u>5,834</u>
Total fund balances (deficit).....	<u>5,834</u>	<u>5,834</u>
Total liabilities and fund balances.....	<u>\$ 5,834</u>	<u>\$ 5,834</u>

Nonexpendable Trust Fund
Statement Of Revenues, Expenses And Changes In Fund Balances - Statutory Basis

June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
REVENUES		
Revenues:		
Investment earnings.....	\$ -	\$ -
Total revenues.....	<u>-</u>	<u>-</u>
EXPENSES		
Expenses:		
Higher education	-	1
Total expenses.....	<u>-</u>	<u>1</u>
Excess (deficiency) of revenues over expenses.....	-	(1)
Fund balances (deficit) at beginning of year.....	5,834	5,835
Fund balances (deficit) at end of year.....	<u>\$ 5,834</u>	<u>\$ 5,834</u>

Pension Trust Funds
Combining Statements of Net Assets Available for Pension Benefits - Statutory Basis

June 30, 2001 and 2000
(Amounts in thousands)

(Amounts in thousands)				
			Totals	
			(Memorandum only)	
	State Employees' PERS	Teachers' PERS	2001	2000
ASSETS				
Cash and short-term investments.....	\$ 437,392	\$ 441,954	\$ 879,346	\$ 1,013,225
Investments at fair value.....	14,206,160	15,073,375	29,279,535	31,280,296
Other receivables, net of allowance for uncollectibles.....	145,748	209,997	355,745	382,656
Other assets.....	10,520	10,936	21,456	11,357
Total assets.....	\$ 14,799,820	\$ 15,736,262	\$ 30,536,082	\$ 32,687,534
LIABILITIES				
Accounts payable.....	\$ 1,003,754	\$ 1,023,407	\$ 2,027,161	\$ 2,145,630
Total liabilities.....	1,003,754	1,023,407	2,027,161	2,145,630
Net assets available for pension benefits (fund balances reserved for employees' pension benefits).....	\$ 13,796,066	\$ 14,712,855	\$ 28,508,921	\$ 30,541,904

Pension Trust Funds

Combined Statements of Changes in Net Assets Available for Pension Benefits - Statutory Basis

Fiscal Years Ended June 30, 2001 and 2000
(Amounts in thousands)

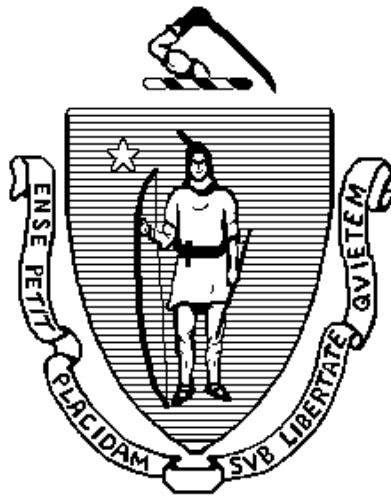
	State Employees' PERS	Teachers' PERS	Totals (Memorandum only)	
			2001	2000
Additions:				
Contribution:				
Commonwealth contributions.....	\$ 408,141	\$ 571,273	\$ 979,414	\$ 916,077
Employees contributions.....	323,571	379,670	703,241	616,157
Total contributions.....	731,712	950,943	1,682,655	1,532,234
Net investment (loss) income:				
Net appreciation (depreciation) in fair value of investments.....	(1,474,465)	(1,529,942)	(3,004,407)	3,422,373
Interest.....	275,601	285,970	561,571	465,039
Dividends.....	108,324	112,399	220,723	230,963
Real estate operating income, net.....	62,899	65,265	128,164	114,848
Alternative investments.....	2,690	2,792	5,482	5,467
Other.....	4,236	4,396	8,632	6,046
Total investment (loss) income.....	(1,020,715)	(1,059,120)	(2,079,835)	4,244,736
Less: investment expense	35,579	36,917	72,496	63,942
Net investment (loss) income	(1,056,294)	(1,096,037)	(2,152,331)	4,180,794
Total additions.....	(324,582)	(145,094)	(469,676)	5,713,028
Deductions:				
Administration reimbursement.....	4,770	7,831	12,601	12,133
Retirement benefits and refunds.....	798,699	752,007	1,550,706	1,425,716
Total deductions.....	803,469	759,838	1,563,307	1,437,849
Net increase	(1,128,051)	(904,932)	(2,032,983)	4,275,179
Net (decrease) assets available for pension benefits at beginning of year (fund balances reserved for employees' pension benefits).....	14,924,117	15,617,787	30,541,904	26,266,725
Net assets available for pension benefits at end of year (fund balances reserved for employees' pension benefits).....	\$ 13,796,066	\$ 14,712,855	\$ 28,508,921	\$ 30,541,904

Agency Funds
Statement Of Changes In Assets And Liabilities - Statutory Basis

Fiscal Years Ended June 30, 2000 and 2001
(Amounts in thousands)

	Balance June 30, 2000	Additions	Deductions	Balance June 30, 2001
ASSETS				
Cash and short-term investments.....	\$ 281,092	\$ 4,883,653	\$ 4,898,054	\$ 266,691
Assets held in trust.....	2,076,313	189,874	22,123	2,244,064
Total assets.....	<u>\$ 2,357,405</u>	<u>\$ 5,073,527</u>	<u>\$ 4,920,177</u>	<u>\$ 2,510,755</u>
LIABILITIES				
Accounts payable.....	\$ 42,798	\$ 1,921,266	\$ 1,931,961	\$ 32,103
Due to cities and towns.....	42,586	337,525	347,282	32,829
Due to federal government.....	-	29	29	-
Agency liabilities.....	2,272,021	2,769,787	2,595,985	2,445,823
Total liabilities.....	<u>\$ 2,357,405</u>	<u>\$ 5,028,607</u>	<u>\$ 4,875,257</u>	<u>\$ 2,510,755</u>

Supplemental Information



Calculation of Transfers – Stabilization and Tax Reduction Funds

Calculation Of Transfers: Stabilization Fund

June 30, 2001
(Amounts in thousands)

This statement is prepared on the statutory basis of accounting pursuant to General Law Chapter 29, Section 5c, Chapter 87. It presents information contained in the official books and accounting records of the Commonwealth. Financial statements supporting this calculation are presented in the Financial Section of this report.

Part 1: Undesignated fund balance(deficit) in the Operating Funds:

	Total
General Fund.....	\$ 475,860
Highway Fund.....	(311,601)
Local Aid Fund.....	5,660
Undesignated fund balance after the transfers.....	\$ 169,919
Available to carry forward to subsequent fiscal year (per Schedule A).....	83,764
Consolidated net surplus before transfer to Capital Projects Fund.....	86,155

Part 2: Calculation of transfers to Capital Projects Fund

Transfer from General Fund to Capital Project Fund (per Schedule B).....	34,462
Net Consolidated surplus available for Stabilization Fund.....	\$ 51,693

Part 3: Calculation of transfers to Stabilization Fund

From the General Fund, @ 60%.....	\$ 31,016
From the Local Aid Fund, @ 40%.....	20,677
Total Transfers.....	\$ 51,693

Part 4: Status of Consolidated Net Surplus after Stabilization Fund transfers:

Undesignated fund balance:	
General Fund.....	410,382
Highway Fund.....	(311,601)
Local Aid Fund	(15,017)
Consolidated Net Surplus.....	\$ 83,764

Part 5: Status of Stabilization Fund after transfers

Reserved for Stabilization - Balance as of June 30, 2001 before the transfers	\$ 1,689,227
FY2001 Calculated Transfers to Stabilization Fund (per Part 3)	51,693
Reserved for Stabilization after the transfers.....	\$ 1,740,920

Part 6: Amounts reserved for Capital Projects

Reserved for Capital Projects - Balance as of June 30, 2001 before the transfers	\$ -
FY2001 Calculated Transfers to Capital Projects Fund (per Schedule B)	34,462
Balance available.....	\$ 34,462

Calculation Of Transfers: Tax Reduction Fund

June 30, 2001
(Amounts in thousands)

This statement is prepared pursuant to Chapters 29 and 29B of the Massachusetts General Laws. It is prepared on the statutory basis of accounting and presents information contained in the official books and accounting records of the Commonwealth. Supporting information is presented in individual schedules, as indicated, and in the Financial Section of this report.

The computation is as follows:

Part 1: Comparison of Stabilization Fund, after current fiscal year transfers,
to 7.5% of Budgeted Revenues and Other Financial Resources:

Undesignated Fund Balance in the Stabilization Fund.....	\$ 1,740,920
Allowable Stabilization Balance (per Schedule C).....	<u>1,714,990</u>
Stabilization Fund Excess, if any, transferable to Tax Reduction Fund.....	<u>\$ 25,930</u>

Part 2: Status of Stabilization Fund after transfers:

Stabilization Fund Balance.....	\$ 1,740,920
Transfer to Tax Reduction Fund.....	<u>25,930</u>
Stabilization Fund Balance after transfer to Tax Reduction Fund.....	<u>\$ 1,714,990</u>

Part 3: Status of Tax Reduction Fund after transfers:

Tax Reduction Fund Balance.....	\$ 7,635
Transfers from Stabilization Fund.....	<u>25,930</u>
Tax Reduction Fund Balance after transfers.....	<u>\$ 33,565</u>

Schedule A
FY2001 Tax Revenues By Revenue Class and
Calculation of Allowable Net Surplus

June 30, 2001

(Amounts in thousands)

Alcoholic Beverages.....	\$	64,168
Banks: Commercial and Savings.....		179,605
Cigarette.....		270,512
Corporations.....		945,253
Deeds.....		135,205
Estate and Inheritance.....		203,381
Income.....		9,902,677
Insurance.....		322,551
Motor and Special Fuels.....		659,873
Public Utilities.....		86,726
Room Occupancy.....		149,617
Sales and Use.....		3,755,838
Club Alcoholic Beverages.....		625
Motor Vehicle Excise.....		105
Convention Center Surcharges.....		13,235
Community Preservation.....		15,989
State Racing.....		7,542
Beano		5,034
Raffles and Bazaars.....		881
DOI Excess and Surplus Lines.....		10,348
Boxing.....		23
UI Surcharge.....		23,674
		<hr/>
FY 2001 State Tax Revenue.....		16,752,860
0.5% of Total Tax Revenue.....		83,764
Allowable Consolidated Net Surplus	\$	<hr/> <hr/> 83,764

This schedule is prepared on the statutory basis of accounting. It presents tax revenues as reported in the governmental funds of the Commonwealth. It differs from the schedule of tax collections prepared by the Comptroller, Commissioner of Revenue and State Auditor for calculations in accordance with Chapter 62F, as established by Chapter 555 of the Acts of 1986.

Schedule B
Calculation of Capital Project Fund Transfer

June 30, 2001
(Amounts in thousands)

Maximum Allowable Transfer Amount:

A: Consolidated Net Surplus available for transfer.....	\$	86,155
	X	40%
B: Maximum based on 40% of Consolidated Net Surplus.....	\$	<u>34,462</u>
C: Fund Deficits - Capital Project Funds.....	\$	<u>1,118,922</u>
Lower of the 40% of the Consolidated Net Surplus or sum of fund deficits in the Capital Project Funds at year end.....	\$	<u>34,462</u>
Amount Transferred by the Comptroller.....	\$	<u>34,462</u>

Schedule C Calculation of Cap on Stabilization Fund

June 30, 2001
(Amounts in thousands)

Total Budgeted Revenues and Other Financial Resources pertaining to the Budgeted funds.....	\$ 23,797,541
Elimination of budgetary interfund activity (per Schedule D).....	<u>(931,013)</u>
Budgeted Revenues and Other Financial Resources pertaining to the Budgeted funds.....	<u>\$ 22,866,528</u>
Allowable Stabilization Fund - Balance, 7.5% of Budgeted Revenue.....	<u><u>\$ 1,714,990</u></u>

Calculation of Stabilization Fund Transfers as defined by Mass General Law Chapter 29 section 5c and as recently amended by Chapter 88 of Acts of 1997 and Chapter 175 of the Acts of 1998.

Schedule D

Detail of Elimination of Budgetary Inter Fund Activity

June 30, 2001
(Amounts in thousands)

Adjustments to Revenues:

Transfers to Intragovernmental Services Fund.....	(108,527)
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Adjustments to Other Financing Sources and Uses:

Transfer from General Fund to Transitional Escrow Fund.....	(579,215)
Fringe Assessed to Budgeted Funds.....	(72,496)
Stabilization Transfers - Year end.....	(51,693)
Transfer from Revenue Maximization Fund to General Fund.....	(38,351)
Transfer from General Fund to Children and Senior's Health Care Assistance Fund.....	(36,952)
Transfer from Stabilization Fund to the Tax Reduction Fund.....	(25,930)
Transfer from General Fund to Clean Election Fund.....	(10,000)
Transfer from Intragovernmental Services Fund to General Fund.....	(2,924)
License Plates.....	(2,814)
Transfer to Caseload Increase Mitigation Fund	(2,021)
Miscellaneous.....	(90)

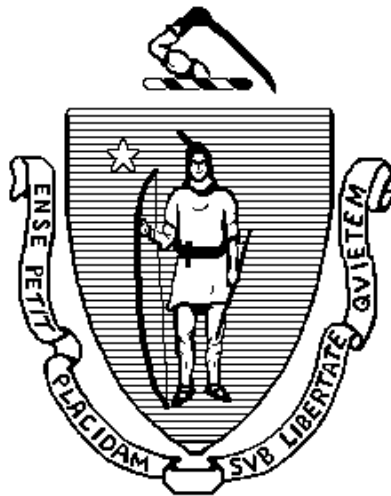
Elimination of Budgetary Interfund Activity

	<div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">\$ (931,013)</div>
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Statistical Section



Ten-Year Schedules – Statutory Basis
Higher Education Non-appropriated Funds – Statutory Basis

Ten-Year Schedule Of Revenues And Other Financing Sources
All Governmental Fund Types - Statutory Basis

June 30, 2001
(Amounts in millions)

	2001	% Total	2000	% Total	1999	% Total	1998	% Total
Taxes.....	\$ 16,753	43.5	\$ 15,702	41.0	\$ 14,304	42.1	\$ 14,038	43.7
Federal reimbursements.....	4,668	12.1	4,364	11.4	4,230	12.5	4,409	13.7
Federal grants.....	1,450	3.8	1,360	3.6	1,236	3.6	1,220	3.8
Lotteries.....	4,138	10.7	3,913	10.2	3,572	10.5	3,430	10.7
Assessments.....	585	1.5	487	1.3	534	1.6	517	1.6
Motor vehicle licenses and registrations.....	311	0.8	285	0.7	281	0.8	295	0.9
Fees, investment earnings, etc.....	2,212	5.7	2,014	5.3	2,638	7.8	1,647	5.1
Proceeds of general obligation bonds.....	1,912	5.0	1,762	4.6	1,334	3.9	1,347	4.2
Proceeds of special obligation bonds.....	-	-	-	-	-	-	100	0.3
Proceeds of refunding bonds.....	999	2.6	-	0.0	499	1.5	862	2.7
Other interfund transfers.....	5,487	14.3	8,403	21.9	5,317	15.7	4,240	13.2
Other financing sources.....	-	-	-	-	-	-	-	-
Total revenues and other financing sources.....	<u>\$ 38,515</u>	<u>100.0</u>	<u>\$ 38,290</u>	<u>100.0</u>	<u>\$ 33,945</u>	<u>100.0</u>	<u>\$ 32,105</u>	<u>100.0</u>

1997	% Total	1996	% Total	1995	% Total	1994	% Total	1993	% Total	1992	% Total
\$ 12,874	46.8	\$ 12,058	46.8	\$ 11,172	45.4	\$ 10,615	45.5	\$ 9,935	44.3	\$ 9,491	47.3
4,084	14.9	3,957	15.4	3,955	16.1	3,882	16.6	3,430	15.3	2,989	14.9
1,185	4.3	1,188	4.6	1,195	4.9	1,184	5.1	1,132	5.0	1,093	5.4
3,377	12.3	3,195	12.4	2,957	12.0	2,600	11.1	2,148	9.6	1,835	9.1
557	2.0	557	2.2	566	2.3	546	2.3	614	2.7	774	3.9
295	1.1	263	1.0	307	1.2	284	1.2	332	1.5	300	1.5
1,085	3.9	1,291	5.0	1,388	5.6	1,214	5.2	1,270	5.7	965	4.8
899	3.3	940	3.6	810	3.3	392	1.7	368	1.6	721	3.6
-	-	147	0.6	-	-	298	1.3	-	-	100	0.5
723	2.6	-	0.0	514	2.1	836	3.6	1,891	8.4	574	2.9
2,416	8.8	2,150	8.4	1,708	6.9	1,465	6.3	1,282	5.7	1,176	5.9
-	-	-	-	49	0.2	35	0.1	42	0.2	47	0.2
<u>\$ 27,495</u>	<u>100.0</u>	<u>\$ 25,746</u>	<u>100.0</u>	<u>\$ 24,621</u>	<u>100.0</u>	<u>\$ 23,351</u>	<u>100.0</u>	<u>\$ 22,444</u>	<u>100.0</u>	<u>\$ 20,065</u>	<u>100.0</u>

Ten-Year Schedule Of Tax Revenues By Source
All Governmental Fund Types - Statutory Basis

June 30, 2001
(Amounts in millions)

	2001	% Total	2000	% Total	1999	% Total	1998	% Total	1997
Income.....	\$ 9,903	59.1	\$ 9,042	57.6	\$ 8,037	56.2	\$ 8,032	57.2	\$ 7,182
Sales and use.....	3,756	22.4	3,565	22.7	3,270	22.9	2,963	21.1	2,876
Corporations.....	945	5.7	1,131	7.2	1,009	7.1	1,067	7.6	964
Motor fuels.....	660	3.9	653	4.2	637	4.5	621	4.4	603
Cigarette.....	271	1.6	280	1.8	284	2.0	301	2.1	282
Insurance.....	323	1.9	306	1.9	317	2.2	303	2.2	289
Estate and inheritance.....	203	1.2	167	1.1	174	1.2	191	1.4	203
Banks.....	180	1.1	93	0.6	109	0.8	156	1.1	140
Alcoholic beverages.....	65	0.4	64	0.4	61	0.4	61	0.4	60
Other.....	447	2.7	401	2.6	406	2.8	343	2.4	275
Total taxes.....	<u>\$ 16,753</u>	<u>100.0</u>	<u>\$ 15,702</u>	<u>100.0</u>	<u>\$ 14,304</u>	<u>100.0</u>	<u>\$ 14,038</u>	<u>100.0</u>	<u>\$ 12,874</u>

<u>%</u> <u>Total</u>	<u>1996</u>	<u>%</u> <u>Total</u>	<u>1995</u>	<u>%</u> <u>Total</u>	<u>1994</u>	<u>%</u> <u>Total</u>	<u>1993</u>	<u>%</u> <u>Total</u>	<u>1992</u>	<u>%</u> <u>Total</u>
55.8	\$ 6,707	55.6	\$ 5,974	53.5	\$ 5,690	53.6	\$ 5,375	54.1	\$ 5,337	56.2
22.3	2,610	21.6	2,481	22.2	2,302	21.7	2,124	21.4	1,979	20.9
7.5	876	7.3	911	8.2	782	7.4	737	7.4	644	6.8
4.7	599	5.0	578	5.2	563	5.3	557	5.6	541	5.7
2.2	233	1.9	234	2.1	237	2.2	190	1.9	140	1.5
2.2	285	2.4	284	2.5	282	2.7	281	2.8	285	3.0
1.6	188	1.6	209	1.9	277	2.6	267	2.7	260	2.7
1.1	219	1.8	206	1.8	200	1.9	153	1.5	60	0.6
0.5	60	0.5	61	0.5	61	0.6	62	0.6	63	0.7
2.1	281	2.3	234	2.1	221	2.0	189	2.0	182	1.9
<u>100.0</u>	<u>\$ 12,058</u>	<u>100.0</u>	<u>\$ 11,172</u>	<u>100.0</u>	<u>\$ 10,615</u>	<u>100.0</u>	<u>\$ 9,935</u>	<u>100.0</u>	<u>\$ 9,491</u>	<u>100.0</u>

Ten-Year Schedule Of Expenditures And Other Financing Uses By Secretariat
All Governmental Fund Types - Statutory Basis

June 30, 2001
(Amounts in millions)

	2001	% Total	2000	% Total	1999	% Total	1998	% Total
Legislature.....	\$ 58	0.2	\$ 53	0.2	\$ 51	0.2	\$ 51	0.2
Judiciary.....	604	1.6	570	1.5	532	1.6	476	1.5
Inspector General.....	3	-	3	-	3	-	2	-
Governor and Lieutenant Governor.....	6	-	6	-	5	-	5	-
Secretary of the Commonwealth.....	50	0.1	50	0.1	48	0.1	29	0.1
Treasurer and Receiver-General.....	4,155	11.3	3,841	10.0	3,982	12.0	3,780	12.1
Auditor of the Commonwealth.....	16	-	15	-	14	-	15	0.1
Attorney General.....	43	0.1	37	0.1	35	0.1	35	0.1
Ethics Commission.....	2	-	1	-	1	-	1	-
District Attorney.....	85	0.2	78	0.2	74	0.2	69	0.2
Office of Campaign and Political Finance.....	2	-	1	-	1	-	1	-
Sheriff's Departments.....	203	0.6	176	0.5	132	0.4	41	0.1
Disabled Persons Protection Commission.....	2	-	2	0.0	2	-	2	-
Board of Library Commissioners.....	57	0.2	61	0.2	51	0.2	45	0.1
Comptroller.....	11	-	9	-	9	-	10	-
Administration and finance.....	5,937	16.1	5,616	14.6	1,522	4.6	1,487	4.8
Environmental affairs.....	426	1.2	395	1.0	375	1.1	367	1.2
Communities and development.....	527	1.4	497	1.3	448	1.4	437	1.4
Health and human services.....	10,058	27.3	9,394	24.3	8,785	26.5	8,478	27.2
Transportation and construction.....	2,212	6.0	3,402	8.8	3,010	9.1	2,835	9.1
Education.....	1,422	3.9	1,287	3.3	3,706	11.2	3,314	10.6
Educational affairs.....	-	-	-	-	-	-	-	-
Higher education.....	1,142	3.1	1,032	2.7	964	2.9	893	2.9
Public safety.....	1,104	3.0	1,009	2.6	1,020	3.1	966	3.1
Economic development.....	53	0.1	43	0.1	60	0.2	38	0.1
Elder affairs.....	241	0.7	217	0.6	197	0.6	188	0.6
Consumer affairs.....	59	0.2	55	0.1	52	0.2	40	0.1
Labor.....	195	0.5	211	0.5	193	0.6	214	0.7
Pension.....	1,040	2.8	986	2.6	990	3.0	1,070	3.4
Debt service.....	739	2.0	1,237	3.2	1,212	3.7	1,215	3.9
Payments to refunded bond escrow agent.....	1,649	4.5	-	-	499	1.5	862	2.8
Fund deficit support.....	-	-	2,980	7.7	-	-	-	-
Other interfund transfers.....	4,761	12.9	5,319	13.8	5,149	15.6	4,199	13.5
Total expenditures and other financing uses.....	<u>\$ 36,862</u>	<u>100.0</u>	<u>\$ 38,583</u>	<u>100.0</u>	<u>\$ 33,124</u>	<u>100.0</u>	<u>\$ 31,163</u>	<u>100.0</u>

1997	% Total	1996	% Total	1995	% Total	1994	% Total	1993	% Total	1992	% Total
\$ 52	0.2	\$ 49	0.2	\$ 48	0.2	\$ 43	0.2	\$ 41	0.2	\$ 43	0.2
438	1.6	405	1.6	356	1.5	342	1.5	309	1.4	308	1.6
2	-	2	-	2	-	1	-	1	-	1	-
5	-	5	-	5	-	4	-	4	-	4	-
18	0.1	17	0.1	17	0.1	12	0.1	14	0.1	12	0.1
3,694	13.6	3,518	14.0	3,245	13.2	2,940	12.6	2,485	11.0	2,167	11.1
13	0.1	12	-	12	-	11	-	10	-	10	0.1
28	0.1	26	0.1	24	0.1	24	0.1	22	0.1	18	0.1
1	-	1	-	1	-	1	-	1	-	1	-
61	0.2	56	0.2	56	0.2	47	0.2	44	0.2	39	0.2
1	-	1	-	1	-	1	-	1	-	1	-
-	-	-	-	-	-	-	-	-	-	-	-
1	-	1	-	1	-	1	-	-	-	-	-
42	0.2	35	0.2	30	0.1	26	0.1	35	0.2	24	0.1
8	-	9	-	11	-	11	-	8	-	6	-
1,328	4.9	1,173	4.7	1,165	4.8	1,118	4.8	1,056	4.7	1,348	6.9
309	1.1	327	1.3	296	1.2	285	1.2	283	1.2	230	1.2
419	1.5	418	1.7	399	1.6	396	1.7	398	1.8	426	2.2
7,730	28.4	7,743	30.9	7,892	32.2	7,611	32.6	7,274	32.2	6,824	34.9
2,507	9.2	2,274	9.1	2,205	9.0	2,134	9.1	1,816	8.0	1,320	6.8
2,963	10.9	2,656	10.6	2,403	9.8	2,167	9.3	2,032	9.0	1,791	9.2
-	-	14	0.1	7	-	3	-	10	-	3	-
818	3.0	764	3.0	727	3.0	692	3.0	565	2.5	546	2.8
979	3.6	956	3.8	851	3.5	782	3.3	716	3.2	650	3.3
42	0.2	113	0.5	206	0.8	213	0.9	214	0.9	195	1.0
167	0.6	162	0.6	162	0.7	156	0.7	149	0.7	141	0.7
37	0.1	35	0.2	34	0.1	33	0.1	30	0.1	27	0.1
193	0.7	118	0.5	25	0.1	24	0.1	24	0.1	20	0.1
1,069	3.9	1,005	4.0	969	4.0	909	3.9	868	3.8	752	3.8
1,278	4.7	1,192	4.8	1,234	5.0	1,151	4.9	1,143	5.0	901	4.6
723	2.7	-	-	514	2.1	836	3.6	1,891	8.3	574	2.9
-	-	-	-	-	-	-	-	-	-	-	-
2,284	8.4	1,970	7.9	1,626	6.7	1,395	6.0	1,208	5.3	1,175	6.0
<u>\$ 27,210</u>	<u>100.0</u>	<u>\$ 25,057</u>	<u>100.0</u>	<u>\$ 24,524</u>	<u>100.0</u>	<u>\$ 23,369</u>	<u>100.0</u>	<u>\$ 22,652</u>	<u>100.0</u>	<u>\$ 19,557</u>	<u>100.0</u>

Ten-Year Schedule Of Budgeted Funds Expenditures and Other Uses By Major Program Category

June 30, 2001

(Amounts in millions)

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Direct local aid.....	\$ 4,969	\$ 4,674	\$ 4,310	\$ 3,949	\$ 3,558	\$ 3,246	\$ 2,976	\$ 2,727	\$ 2,547	\$ 2,359
Medicaid.....	4,642	4,270	3,856	3,666	3,456	3,416	3,398	3,313	3,151	2,818
Public assistance.....	991	959	988	1,023	1,090	1,089	1,095	1,100	1,075	1,065
Higher education.....	1,102	996	930	862	806	744	703	673	545	534
MBTA and regional transit authorities.....	69	592	538	530	520	518	516	522	499	450
Pension.....	1,040	986	990	1,070	1,069	1,005	969	909	868	752
Group health insurance.....	641	589	566	550	522	519	510	496	491	466
Debt service.....	676	1,193	1,174	1,213	1,276	1,184	1,231	1,149	1,140	898
Major programs.....	14,130	14,259	13,352	12,863	12,297	11,721	11,398	10,889	10,316	9,342
Other program expenditures.....	7,060	7,251	6,411	5,900	5,502	5,357	5,043	4,822	4,627	4,262
Interfund transfers and other uses.....	1,882	4,538	1,884	1,844	1,201	847	352	241	250	310
Budgeted expenditures and other uses.....	\$ 23,072	\$ 26,048	\$ 21,647	\$ 20,607	\$ 19,000	\$ 17,925	\$ 16,793	\$ 15,952	\$ 15,193	\$ 13,914

Ten-Year Schedule Of Long-Term Bonds And Notes Outstanding

Fiscal Year Ended June 30, 2001
(Amounts in millions)

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
General obligation bonds.....	7,108	\$ 10,897	\$ 10,301	\$ 9,873	\$ 9,620	\$ 9,148	\$ 8,615	\$ 8,184	\$ 8,082	\$ 7,916
Grant anticipation notes.....	1,499	922	922	600	-	-	-	-	-	-
Dedicated income tax bonds.....	-	-	-	-	130	383	619	840	1,045	1,244
Special obligation bonds.....	5,392	564	586	606	521	535	395	404	104	104
Commonwealth long-term bonds.....	\$ 13,999	\$ 12,383	\$ 11,809	\$ 11,079	\$ 10,271	\$ 10,066	\$ 9,629	\$ 9,428	\$ 9,231	\$ 9,264



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HIGHER EDUCATION NON- APPROPRIATED ACTIVITY

The Commonwealth's Public Institutions of Higher Education are allowed, by their enabling statutes, to collect, retain, and expend certain fees, rents, donations and other types of revenue. These financial resources are important elements to the overall financial operations of the respective institutions, and are in addition to amounts made available from appropriations. The Public Institutions of Higher Education include:

University of Massachusetts System – The University system includes the campuses at Amherst, Worcester, Boston, Lowell, Dartmouth and certain institutes and programs operated by the Office of the University President.

State College System – The State College System includes the nine state colleges, which provide four-year post-secondary education programs. These colleges include:

Bridgewater State College
Framingham State College
Fitchburg State College
Massachusetts College of Art
Massachusetts Maritime Academy
Massachusetts College of Liberal Arts
Salem State College
Worcester State College
Westfield State College

Community College System - The Community College System includes the fifteen community colleges, which provide two-year post secondary education programs.

Berkshire Community College
Bunker Hill Community College
Bristol Community College
Cape Cod Community College
Greenfield Community College
Holyoke Community College
Massasoit Community College
Massachusetts Bay Community College
Middlesex Community College
Mount Wachusett Community College
Northern Essex Community College
North Shore Community College
Quinsigamond Community College
Roxbury Community College
Springfield Technical Community College

Higher Education System
Combining Higher Education Non-Appropriated Activity - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	University of Massachusetts	State Colleges	Community Colleges	TOTALS	
				2001	2000
Revenues and other financing sources					
Federal grants and reimbursements.....	\$ 177,149	\$ 18,920	\$ 39,664	\$ 235,733	\$ 208,573
Departmental revenues.....	501,909	142,011	143,443	787,363	744,137
Miscellaneous revenues.....	370,713	73,663	70,567	514,943	423,940
Total revenues and other financing sources.....	1,049,771	234,594	253,674	1,538,039	1,376,650
Expenditures and other financing uses (by MMARS subsidiary):					
AA Regular employee compensation.....	255,045	23,408	36,185	314,638	294,438
BB Regular employee related expenses.....	14,275	3,859	3,530	21,664	8,672
CC Special employees and contracted services.....	105,603	31,045	61,026	197,674	175,358
DD Pension and insurance.....	73,888	6,371	7,606	87,865	73,054
EE Administrative expenditures.....	71,996	27,293	29,957	129,246	116,347
FF Facility operational supplies.....	91,350	7,674	15,647	114,671	108,127
GG Energy costs and space rental.....	30,622	7,329	3,780	41,731	42,774
HH Consultant services.....	99,550	8,742	10,210	118,502	99,283
JJ Operational services.....	27,550	18,789	9,430	55,769	60,441
KK Equipment purchase.....	39,214	9,633	8,898	57,745	50,888
LL Equipment leases, maintenance and repair.....	20,866	7,363	5,476	33,705	34,382
MM Purchased client services and programs.....	9,648	1,400	1,861	12,909	15,819
NN Construction and improvements.....	25,502	14,187	3,613	43,302	38,613
PP Aid to local governments.....	4	-	207	211	213
RR Benefit programs.....	70,440	24,275	51,823	146,538	134,660
SS Debt payment.....	-	3,793	508	4,301	4,012
TT Loans and special payments.....	25,414	28,942	974	55,330	54,329
Total expenditures and other uses.....	960,967	224,103	250,731	1,435,801	1,311,410
Excess (deficiency) of revenues and other financing sources over expenditures and other uses.....	88,804	10,491	2,943	102,238	65,240
Fund balance (deficit) at beginning of year.....	554,604	68,987	63,891	687,482	622,242
Fund balance (deficit) at end of year.....	\$ 643,408	\$ 79,478	\$ 66,834	\$ 789,720	\$ 687,482

University Of Massachusetts
Higher Education Non-Appropriated Activity - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	<u>2001</u>	<u>2000</u>
Revenues and other financing sources		
Federal grants and reimbursements.....	\$ 177,149	\$ 154,156
Departmental revenues.....	501,909	472,982
Miscellaneous revenues.....	<u>370,713</u>	<u>297,004</u>
Total revenues and other financing sources.....	<u>1,049,771</u>	<u>924,142</u>
Expenditures and other financing uses (by MMARS subsidiary):		
AA Regular employee compensation.....	255,045	229,112
BB Regular employee related expenses.....	14,275	2,044
CC Special employees and contracted services.....	105,603	93,688
DD Pension and insurance.....	73,888	60,050
EE Administrative expenditures.....	71,996	66,907
FF Facility operational supplies.....	91,350	85,856
GG Energy costs and space rental.....	30,622	31,706
HH Consultant services.....	99,550	81,522
JJ Operational services.....	27,550	30,481
KK Equipment purchase.....	39,214	35,419
LL Equipment leases, maintenance and repair.....	20,866	22,034
MM Purchased client services and programs.....	9,648	12,983
NN Construction and improvements.....	25,502	22,100
PP Aid to local governments.....	4	-
RR Benefit programs.....	70,440	69,206
TT Loans and special payments.....	<u>25,414</u>	<u>27,420</u>
Total expenditures and other financing uses.....	<u>960,967</u>	<u>870,528</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	88,804	53,614
Fund balance (deficit) at beginning of year.....	<u>554,604</u>	<u>500,990</u>
Fund balance (deficit) at end of year.....	<u><u>\$ 643,408</u></u>	<u><u>\$ 554,604</u></u>

State College System
Combining Higher Education Non-Appropriated Activity - Statutory Basis

Fiscal Year Ended June 30, 2001
(Amounts in thousands)

	Bridgewater State College	Framingham State College	Fitchburg State College	Massachusetts College of Art
Revenues and other financing sources				
Federal grants and reimbursements.....	\$ 3,344	\$ 1,283	\$ 2,451	\$ 898
Departmental revenues.....	24,867	13,921	13,516	9,430
Miscellaneous revenues.....	11,125	19,250	11,518	874
Total revenues and other financing sources.....	<u>39,336</u>	<u>34,454</u>	<u>27,485</u>	<u>11,202</u>
Expenditures and other financing uses (by MMARS subsidiary):				
AA Regular employee compensation.....	4,668	2,099	3,857	864
BB Regular employee related expenses.....	611	267	391	524
CC Special employees and contracted services.....	5,625	4,369	2,999	1,831
DD Pension and insurance.....	1,504	838	548	395
EE Administrative expenditures.....	4,463	9,923	2,394	1,074
FF Facility operational supplies.....	1,649	490	693	709
GG Energy costs and space rental.....	654	1,458	676	1,764
HH Consultant services.....	1,227	685	1,667	902
JJ Operational services.....	2,549	2,863	1,301	1,248
KK Equipment purchase.....	1,800	498	2,220	772
LL Equipment leases, maintenance and repair.....	1,095	481	635	692
MM Purchased client services and programs.....	304	309	200	-
NN Construction and improvements.....	1,870	5,089	2,404	-
RR Benefit programs.....	6,211	1,284	1,625	1,064
SS Debt payment.....	128	274	-	155
TT Loans and special payments.....	3,453	2,088	3,759	42
Total expenditures and other financing uses.....	<u>37,811</u>	<u>33,015</u>	<u>25,369</u>	<u>12,036</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	1,525	1,439	2,116	(834)
Fund balance (deficit) at beginning of year.....	11,905	19,318	12,876	3,756
Fund balance (deficit) at end of year.....	<u>\$ 13,430</u>	<u>\$ 20,757</u>	<u>\$ 14,992</u>	<u>\$ 2,922</u>

Massachusetts Maritime Academy	Massachusetts College of Liberal Arts	Salem State College	Worcester State College	Westfield State College	TOTALS	
					2001	2000
\$ 615	\$ 1,343	\$ 4,491	\$ 1,929	\$ 2,566	\$ 18,920	\$ 17,916
7,120	6,271	24,528	13,083	29,275	142,011	138,895
3,642	4,510	13,975	4,910	3,859	73,663	59,028
11,377	12,124	42,994	19,922	35,700	234,594	215,839
748	1,024	6,589	1,000	2,559	23,408	29,888
409	285	495	622	255	3,859	3,232
1,519	1,389	4,424	5,716	3,173	31,045	28,132
166	140	1,489	324	967	6,371	6,231
2,172	942	3,069	1,574	1,682	27,293	28,021
695	300	1,510	865	763	7,674	7,292
672	364	604	352	785	7,329	7,317
701	413	1,805	887	455	8,742	8,100
3,401	2,229	3,181	843	1,174	18,789	19,922
1,812	161	999	499	872	9,633	8,253
216	563	2,454	586	641	7,363	6,493
-	-	456	-	131	1,400	1,039
9	35	1,009	1,421	2,350	14,187	14,571
559	2,329	5,454	3,659	2,090	24,275	21,849
-	-	-	997	2,239	3,793	3,669
1,298	993	2,179	151	14,979	28,942	21,989
14,377	11,167	35,717	19,496	35,115	224,103	215,998
(3,000)	957	7,277	426	585	10,491	(159)
4,641	844	3,486	7,200	4,961	68,987	69,146
\$ 1,641	\$ 1,801	\$ 10,763	\$ 7,626	\$ 5,546	\$ 79,478	\$ 68,987

Community College System
Combining Higher Education Non-Appropriated Activity - Statutory Basis

Fiscal Year Ended June 30, 2001

(Amounts in thousands)

	Berkshire Community College	Bunker Hill Community College	Bristol Community College	Cape Cod Community College	Greenfield Community College	Holyoke Community College	Massasoit Community College
Revenues and other financing sources							
Federal grants and reimbursements.....	\$ 1,609	\$ 3,663	\$ 5,223	\$ 970	\$ 1,844	\$ 3,384	\$ 3,048
Departmental revenues.....	4,097	11,813	7,119	3,258	5,453	7,452	8,416
Miscellaneous revenues.....	1,813	7,193	6,322	5,024	2,051	4,740	4,729
Total revenues and other financing sources.....	7,519	22,669	18,664	9,252	9,348	15,576	16,193
Expenditures and other financing uses (by MMARS subsidiary):							
AA Regular employee compensation.....	1,426	7,808	3,002	1,886	1,737	1,201	316
BB Regular employee related expenses.....	109	271	277	103	168	253	246
CC Special employees and contracted services.....	1,450	3,994	4,162	2,483	1,623	2,770	5,071
DD Pension and insurance.....	631	317	1,016	617	310	342	311
EE Administrative expenditures.....	972	1,328	1,143	431	458	1,214	3,854
FF Facility operational supplies.....	1,138	679	616	170	779	1,840	710
GG Energy costs and space rental.....	152	140	304	162	33	35	307
HH Consultant services.....	486	792	708	510	144	173	490
JJ Operational services.....	385	1,605	833	43	206	1,422	305
KK Equipment purchase.....	295	494	825	241	443	327	721
LL Equipment leases, maintenance and repair.....	170	204	256	284	120	176	637
MM Purchased client services and programs.....	58	210	367	-	7	65	-
NN Construction and improvements.....	266	194	472	13	-	404	216
PP Aid to local governments.....	-	60	-	-	-	-	-
RR Benefit programs.....	1,073	3,989	4,296	1,390	2,567	4,786	2,671
SS Debt payment.....	-	-	-	-	-	-	-
TT Loans and special payments.....	307	-	84	-	299	-	178
Total expenditures and other financing uses.....	8,918	22,085	18,361	8,333	8,894	15,008	16,033
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses....	(1,399)	584	303	919	454	568	160
Fund balance (deficit) at beginning of year.....	(379)	5,048	6,380	3,160	2,196	17,477	4,697
Fund balance (deficit) at end of year.....	\$ (1,778)	\$ 5,632	\$ 6,683	\$ 4,079	\$ 2,650	\$ 18,045	\$ 4,857

Massachusetts Bay Community College	Middlesex Community College	Mount Wachusett Community College	Northern Essex Community College	North Shore Community College	Quinsigamond Community College	Roxbury Community College	Springfield Technical Community College	TOTALS 2001	2000
\$ 1,584	\$ 3,443	\$ 2,966	\$ 30	\$ 5,362	\$ 2,354	\$ 727	\$ 3,457	\$ 39,664	\$ 36,501
9,087	12,885	8,140	21,575	13,267	10,752	2,804	17,325	143,443	132,260
896	4,511	1,692	2,404	6,383	4,310	14,006	4,493	70,567	67,908
11,567	20,839	12,798	24,009	25,012	17,416	17,537	25,275	253,674	236,669
674	4,270	1,840	1,312	7,452	699	435	2,127	36,185	35,438
363	443	370	123	130	295	89	290	3,530	3,396
3,418	6,694	3,462	3,234	3,638	4,611	9,971	4,445	61,026	53,538
168	1,366	338	396	422	286	147	939	7,606	6,773
1,438	1,441	1,023	9,873	2,157	2,378	257	1,990	29,957	21,419
683	701	503	501	2,130	2,559	93	2,545	15,647	14,979
6	565	278	296	755	64	50	633	3,780	3,751
747	912	521	491	1,242	982	686	1,326	10,210	9,661
593	500	300	492	1,911	224	172	439	9,430	10,038
2,934	365	591	152	580	117	38	775	8,898	7,216
263	271	666	67	768	607	127	860	5,476	5,855
-	-	36	-	57	-	-	1,061	1,861	1,797
836	-	126	-	201	427	-	458	3,613	1,942
-	-	147	-	-	-	-	-	207	213
1,549	2,268	2,499	6,890	4,921	4,278	4,572	4,074	51,823	43,605
-	-	-	-	508	-	-	-	508	343
-	-	4	100	-	-	-	2	974	4,920
13,672	19,796	12,704	23,927	26,872	17,527	16,637	21,964	250,731	224,884
(2,105)	1,043	94	82	(1,860)	(111)	900	3,311	2,943	11,785
9,110	(509)	1,429	2,219	4,610	774	551	7,128	63,891	52,106
\$ 7,005	\$ 534	\$ 1,523	\$ 2,301	\$ 2,750	\$ 663	\$ 1,451	\$ 10,439	\$ 66,834	\$ 63,891



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